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Near East & South Asia

PAKISTAN

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International Affairs

U.S. Demand for the Return of Warships Attacked

93AS0334C Karachi JANG in Urdu 30 Nov 92 p 3

[Editorial: "The Demand for the Return of American Ships"]

[Text] According to a newspaper report, the U.S. government is using the Pressler Amendment as a pretext to demand the return of eight U.S. frigates in the Pakistani navy; the lease expires next year. After the end of the Afghanistan problem, the United States has altered its policy and under the pretext of a peaceful nuclear program, is using the unjust Pressler Amendment to impose unilateral economic and military restrictions on Pakistan. The United States is constantly pressuring Pakistan to abandon its peaceful nuclear program to have the economic and military restrictions lifted. Pakistan, on its part, has tried to alleviate U.S. fears and restore former friendly relations by giving assurances of every kind of cooperation on a bilateral, regional, and international level. But the report cited demonstrates that the United States is tightening its ring around Pakistan; further proof is the fact that in addition to stopping the delivery of traditional weapons, the United States is asking for the early return of leased ships, in clear contravention of signed agreements. Moreover, for some time now the United States has been strongly opposing on an international level the purchase of submarines and other weapons by Iran. This shows that the United States is against any Islamic country that shows a capacity of becoming economically and militarily strong. Our policymakers should devote serious thought to this matter—that rather than purchase weapons, national interests demand that they make arrangements for manufacturing weapons domestically so that when the country needs to defend itself it will be able to stand on its own feet and deal with any unforeseen situation.

U.S. Foreign Policy Said Anti-Muslim

93AS0334D Karachi JANG in Urdu 1 Dec 92 p 3

[Article by Niyar Zaidi from Washington: "U.S. Policies and Muslim Countries"]

[Text] A few days before the 3 November election, the present newly-elected U.S. Vice President, Albert Gore, met privately with Mohammad Mohaddesin in North Carolina. Mohaddesin is said to hold a key leadership position in the People's Mojaheddin organization, which is an opponent of Iran's Islamic government. Before commenting on the hidden political connotations of this meeting, I would like to point out that those who fight in the name of the "people" cannot be called mojaheddin [the term mojaheddin applies only to those who fight in the name of God]. But after the Afghanistan jihad, the term mojaheddin became so popular that now everyone calls himself a mojahed [singular of mojaheddin].

What topics did Mr. Gore discuss with Iran's rebel leader? That is a secret; but it is apparent that Clinton's new administration will continue the policy of encouraging Iran's domestic and foreign enemies. Even before he became a candidate for the vice presidency, Gore supported elements who were fighting against the Iranian government. Bahais living in the United States are receiving financial aid and political backing for their campaign against the Iranian government. Senator Gore was among the 67 senators who sent a letter on 28 October to the U.N. Secretary General Boutros Ghali accusing Iran of human rights violations. It was also said that Iran was trying its best to obtain nuclear weapons.

Observers agree that it is unusual for the leader of any foreign political movement to be given the opportunity of meeting a presidential or vice presidential candidate. This half-hour-long meeting shows that, in regard to Iran in particular and the Islamic nations in general, the democratic administration will follow the policies started in Carter's term of office and continued during the Reagan and Bush administrations. Not much is said about foreign policy in reports published so far, but it appears that such terms as "human rights" and "nuclear program" will be used to continue the campaign against Iran. A columnist here pointed out the cooperation among China, Iran, and Pakistan and noted the recent tour of China by General Mohsen of Pasdaran-i-Inqilab [guardians of the revolution]. General Mohsen accompanied Iranian Prime Minister Hashemi Rafsanjani when he visited China in September, and the General intends to travel to China again in the next few weeks. The columnist claimed that Pakistan, China, and Iran intend to build jointly Chinese Storm 2000 tanks. He also asserted that China intends to supply 10 nuclear reactors to Iran. China had earlier announced its intention to supply a research reactor to Iran but had been pressured by the United States into reversing its decision. At that time, Bush was contemplating giving China a most favored nation status and Congress was loudly opposing it. But when the United States announced the export of F-16 fighter planes to Taiwan, China was angered and in retaliation announced the export of commercial reactors to Iran. United States experts now say that, since imported Western technology was used to manufacture the commercial reactors, limitations can be placed on the reactor parts and the use of these reactors restricted. But the research reactors were built with Chinese technology, and it would have created difficulties [sic] if they had been supplied to Iran.

According to another report, 11 Chinese scientists visited Iran in the beginning of November and inspected the factory where 400 kilometer range Scud missiles would be built annually. [Sentence as published] A columnist has quoted from a sermon by Ayatollah Ahmad Janati in which he said that Americans are right in saying that Iran poses a danger to the United States.

The texts of sermons delivered after prayers in Iran and other information is supplied to the press here by covert agencies, and these show when the "we" campaign starts

regarding any particular country. Approximately a dozen major news stories were published here in October and November regarding the "danger" from Iran, in which Iran's "power" was presented in the same exaggerated manner that used to be applied to Iraq.

At the end of November, the United States appealed to its European allies to stop supplying Iran any technology that could be used by the Iranian army. Representatives of Britain, France, Italy, Canada, Japan, and Germany took part in this meeting. According to THE NEW YORK TIMES, this was the first time that Iran was discussed in such detail by the industrial Group of Seven, as they call themselves. But the technology being discussed did not include sensitive or secret military equipment but did include ordinary computers such as we use daily here at home or in business.

At first, the United States maintained that it did not want Third World countries to have nuclear weapons, which they could use against each other and cause widespread destruction. But now it is being said openly that the first rank Islamic countries should be deprived of the capability of making not only nuclear but even traditional weapons.

According to the 18 November issue of the NEW YORK TIMES, the United States wants to prevent Iran not only from acquiring weapons of mass destruction but also from obtaining ordinary traditional weapons, or acquiring the capability of producing such weapons. This U.S. policy applies not only to Iran but to Pakistan as well and to all such countries who will not call the American pocket their haven of safety.

Bosnia provides the most obvious illustration of Western policy towards Muslims. Muslim countries are deprived of all means of defense so that Western countries and their supporters may freely use the resources of Muslim countries and destroy Muslim populations. The spectators of the massacre of friendless Muslims in Bosnia say that if the Muslims were given weapons to defend themselves the result would be an increase in tensions. Lobbies in Muslim countries which oppose expenditures on defense and armed forces may be sincere in their intentions, but they are unintentionally furthering foreign interests. It sounds good to say that the money spent on defense should be used for education and health facilities, but what is taking place in Lebanon, Somalia, and Bosnia should prove an object lesson to everyone.

At any rate, we were discussing Iran and China. According to a report, in the last three years, Iran has purchased five billion dollars worth of weapons from China. In addition, Russia has sold a number of submarines to Iran, causing a special anxiety to the United States because these submarines pose a danger to its naval fleet in the Gulf. The "danger" is not that Iran would attack, but that the United States wants no "danger" from anyone obstructing it if it should launch aggressive action.

Some people may have expectations from the new Clinton administration, but it would be foolish to expect any change in policy towards those Muslim countries which have revitalized Islam. The major reason for this is the Jewish lobby's influence over the new administration. American Jews have traditionally supported the Democratic party, but during the last 12 years it has become necessary to support the Republican party which was in office. But this time, the Democratic party, with the strong help of the American Jewish lobby, has again won the presidential elections.

Clinton Administration's Influence on Nation Forecast

93AS0336B Lahore NAWA-I-WAQT in Urdu 9 Dec 92
p 10

[Article by Sardar Mohammad Sakera: "Will Clinton Influence Pakistani Politics?"]

[Text] Pakistani politicians and politics have been very active since the election of Clinton as President of the United States. After the Long March and Train March, they now expect a "quick march!" The newspapers are also publishing headlines about George Bush's phone call to Nawaz Sharif praising our military's role in Somalia and thanking him. Both sides are building up their images by claiming contacts with the United States. Let us see if the United States is able to play a new role in Pakistani politics and what expectations we can have from it.

There was a time when the world was divided into two blocs, the Soviet Union and the United States. Whenever a country did not agree, it had the option of joining the other bloc. The United States distributed a lot of weapons and ammunition in Europe during World War II, thereby earning a lot of money. When Germany was weakened, the United States also jumped into the war and, after dropping atomic bombs on Japan, won the war. The U.S. attitude was that of a businessman. As soon the war was over, it recalled its troops from Europe. Churchill was left beating his head. He said that, since the United States has the atomic bomb, it should eliminate Russia also because Russia will not leave Eastern Europe and its ideology will also influence Western Europe. However, Roosevelt did not agree, and as a result, Eastern Europe was taken over by the Soviet Union. This confrontation between two ideologies resulted in the Cold War. The Soviet Union found time to grow and developed its own atomic bomb. Thus, the Soviet Union was able to challenge the United States because Churchill's suggestions were ignored. The Soviet Union took full control of Poland, Hungary, East Germany, Czechoslovakia, Romania, and Bulgaria. At the same time, it began to pressure, Iran, Turkey, and Greece, and the United States finally felt the danger of the Red Army taking over all of Europe and Asia. Therefore, the United States declared in 1947 that it would block Soviet advances. That was the birth of the Cold War. The United States knew that there was a

military and economic vacuum in Western Europe and the Far East and spent billions of dollars to make West Germany and other countries in Western Europe economically strong. It established NATO to strengthen this region militarily. When the Soviet Union became a nuclear power, it had North Korea attack South Korea. The United States became worried that the Soviet Union would attack Japan after it took care of South Korea. Thus, the United States had to join the Korean war. When the United States was successful, China also joined the war. The United States spent billions of dollars on the Korean War, and Japan benefited from it. Since Japan was helping the United States in this war, the United States provided billions of dollars of aid to Japan. Japan made tremendous progress in industrial development, and its products began to be sold in the United States. The United States also formed organizations such as the Baghdad Pact, SEATO [Southeast Asia Treaty Organization], and CENTO [Central Treaty Organization]. These also cost the United States a lot.

The Soviet Union attacked Afghanistan when it felt that the United States was weakened. The United States spent billions of dollars in the Afghan war and its defense budget skyrocketed. The United States also spent a lot of money on its Star Wars program. The Afghan war destroyed the Soviet economy, and it lost control over Eastern Europe. The Soviet Union also disintegrated. The United States spent \$55 billion on the Gulf war, but it received \$60 billion from the Gulf states, Germany, and Japan. The U.S. presidential candidate Perot disclosed that the United States has a deficit of \$40 trillion, and Clinton also used the economic problems in the country to get elected.

Against this background—the fact that the United States owes \$40 trillion—we wonder if it can influence other countries. At present, Germany and Japan are economic superpowers in the world. The United States is suffering economically just like the Soviet Union. U.S. businessmen become involved only where they can make more than 15 percent in profits. The United States has already given up industries such as textiles, electronics, and automobiles, and these items are imported from Japan, Korea, Taiwan, and Singapore.

Germany is controlling the world market in the large industries area. Since the United States has abandoned small industries, unemployment has increased greatly in the United States. The United States spent money on computer research, and Japan made profits by making computers cheaply and pushing the United States out of the market. George Bush is well known for his success in world affairs, and his foreign policy was also successful. During his term, the United States pushed the Soviet Union out of Europe, and the Soviet Union disintegrated. The Soviet Union had to abandon its ideology too because of economic problems. The United States also took full control of oil in the Middle East. The Gulf war also changed credits to debits in the Gulf countries. The United States is now the only superpower in the world, and George Bush should have been recognized for

that. However, the U.S. people rejected George Bush. Clinton just played on the \$40 trillion deficit and neglect of small industries, which has resulted in increasing unemployment. Clinton never mentioned foreign policy during his whole election campaign. He targeted the economic policy and was successful. Clinton is a Democrat, and this party has always leaned toward India. Clinton has talked about giving an important position to Solaz who is an enemy of Pakistan. Also, it has been learned that Madam Bhutto and Asif Zardari have been invited to the inauguration of the U.S. President.

In spite of all this, I believe that Clinton will be actively involved in his country's internal affairs and will not affect other countries. His election speeches also imply that he will mostly focus on the economy and will not help foreign countries or interfere in any military issue. He will provide protection to the industries at home and reduce imports. In my opinion, the biggest problem for the United States will be dealing with Japan, which is the economic superpower now. If it stops imports from Japan, Japan might stop financial aid to the United States. Only Japan can help the United States in the present economic crisis.

Japan will be the greatest problem for the United States during the coming years. The United States will not want anything except to help Eastern Europe stand on its own feet and help the Central Asian republics get out from under Russian influence. The Jewish media and the Jewish lobby have helped Clinton win. We will see what Clinton will do about the Arab-Israeli problem. Clinton's party favors India, and the United States wants to make India the main force in Asia.

India is not strong economically and cannot play a major role in world politics. Secondly, all of India's neighbors suspect its military power and its policies. If the United States selects Pakistan over India as its ally, it will benefit more because Pakistan has a lot of influence on the Islamic nations and has very good relations with them as well as with China. However, at this time, the United States is leaning toward India. If the United States succeeds in establishing peace between Israel and the Arab nations, Pakistan would be more helpful than India would be to the United States. Pakistani politicians are wrong in their belief that personal relations do not help improve diplomatic relations. Every nation looks for its own interests. The United States wants to rebuild its economy at this time, and it might have disagreements with Japan. Clinton will focus on economic policy at present instead of paying attention to other countries. Our politicians who are watching Clinton will be disappointed. They should focus on improving the law-and-order situation in the nation.

Similarly, if the opposition is not wishing for another martial law regime, it should stop all these marches. The president should bring the government and the opposition to sit at one table and find resolutions to our country's problems. Internal strife only leads to destruction. The government and the opposition should pay

attention to protecting our national interests. Many new developments will take place around the world, and it is the duty of politicians to protect our country from these changes. In order to prepare the nation for the 21st century, they should focus on national interests, and not personal gains.

Embassy in Washington Said 'Bloated With Personnel'

93AS0313H Lahore *THE NATION* in English
13 Dec 92 p 7

[Article by Dr. Manzur Ejaz: "Taming of the Shrew"; quotation marks as published]

[Text] Pakistan's Ambassador, Syeda Abida Hussain, came to Washington convinced that the Embassy of Pakistan was bloated with personnel. She was very enthusiastic and wanted to cut the staff and save millions of dollars for the country. She was advised by an earlier, most popular Ambassador, not to mess with these 'ten million dollars chosen' and concentrate on diplomatic work. She insisted on staying on a course of austerity and pinpointed the areas where most of the waste was. After thirteen months in office she has not achieved much in this regard and, ironically, many others have to share the blame with her. The problems she identified still exist and are going to exist in the foreseeable future.

The Ambassador made her plan known to everybody. Nobody could pinpoint the exact source but a campaign against her was launched in the Press thereafter. We reported such suspicions from time to time in our diary that the campaign against her was largely the result of her austerity plans in the embassy, notwithstanding her political and conceived behavioural problems. It is hard to prove who was directly or indirectly involved, however isn't it interesting that as soon as the Ambassador has abandoned the idea of reducing the embassy staff, the negative campaign is gone or has dwindled.

The Ambassador had complained then that there were entrenched 'mafia' style interest groups of employees who once came as embassy officials, retired or resigned from government service and got rehired in the embassy again as local employees. The relatively low pay-scale in the Embassy of Pakistan cannot lure anyone unless there are other compensatory factors. For some, provision of health insurance, a lax office atmosphere and abundance of paid leaves was enough. For others it is a big time business. Several hundred million dollars worth of military equipment, agriculture and other materials were procured through the embassy during the hey days of the 80s and even a very small percentage of commission or kickback could make instant millionaires. The Pakistani Press has published numerous stories of massive embezzlement of funds in this embassy. Some Pakistanis became millionaires through this process and are living proofs of funny activity in the embassy.

It is said, as it appears, that the Ambassador has reversed her position in this regard to appease the 'hidden hands'

who had initiated a nefarious Press campaign against her in the first place. Many well-intentioned journalists and political activists were also carried away by this and were used. This was a classic example of how the bureaucracy uses the Press and political processes for protecting its interests. To divide and rule, it fed the cooked up information to the Opposition and journalists. Her political opponents seized upon this opportunity to settle old scores with her and to embarrass the Nawaz Sharif government. Many of her opponents might have very genuine problems with her politics and behaviour. An Ambassador cannot keep a particular party in power in Islamabad, but he or she can do some national service by cutting the waste out and save money that can be used to uplift a sinking economy. Our problem is that as an economist friend is always quick to point out, we attach too much importance to marginal political issues and give no weight to matters that cost us a fortune.

To take stock, we want to restate the problems as pointed out by the Ambassador and the present status. Our figures might be understated since to get an accurate picture is impossible because the embassy budget is confidential, according to Deputy Chief of Mission, Mr. Sarwar Naqvi.

1. The Pakistan embassy employed a staff of 152. That was more than the embassy of Japan, a country which does hundred times more business with the United States than Pakistan. The only consolation is that India, a country ten times bigger than Pakistan, has more employees. After 13 months of her Ambassadorship, the staff has been reduced by only six employees.

2. Notwithstanding the corruption and kickbacks in big deals, there is enough for most of the old hands involved in maintenance and petty procurement, that has a budget of ten million dollars or 25 crore rupees. Furthermore, the officials coming from Pakistan are sanctioned out-of-sight house rents and entertainment allowance. A middle level American employee in the government can afford a rent of \$1,000 to \$1,500, while our officials are paid \$2,000 to \$3,000 per month.

3. Another source of perks is the air travel by PIA [Pakistan International Airlines] which we reported some months back. The embassy pays the published rate to the employee, who in turn purchases a ticket on discount which is five to six hundred dollars cheaper. In the process, the employee gets \$500 to \$600 in kickbacks. The Ambassador had claimed that she had put an end to this practice by making an arrangement with PIA to issue tickets at market price. Our investigation shows that such arrangements have not taken effect and the good old game is still on.

Many in the travelling business told me that almost all the employees that travelled recently got candy money back from the travel agents. So much so, it is claimed that the Ambassador paid a published fare while she was travelling on official business to Pakistan and bought a discounted ticket when she was on a private visit. She

did not take any kickbacks and committed no moral offence. However, it appears that she has become unduly protective of employees who are depriving a poor nation of hundreds of thousands of dollars.

4. The Ambassador has also reversed herself on the new embassy building that was supposed to cost twelve million dollars. According to her old plan, the old buildings were supposed to be renovated for \$3 million. According to the new plan, the new embassy will be built for \$6 million while one of the old buildings will be sold and the other renovated. The total expenditure will stay the same, according to her. However, there are two caveats: first, the maintenance expenditure will double for two buildings and second, the expenditure for the new building might exceed six million because the old estimate was of twelve million.

5. To her credit, the Ambassador has been successful in bringing down the cost of health insurance by half a million. However, the health insurance premiums paid by the embassy are still too high.

The Ambassador claims that financial condition of Pakistan embassy's American operation has improved. A year back, Pakistan was not getting my assistance from the U.S. and embassy expenditures were not outflows of foreign exchange for Pakistan. The U.S. government has approved \$100 to \$150 million for health, education, population control, etc. Her implicit assumption is that part of these funds will be indirectly used for the embassy operation. This is again a sorry tale of foreign assistance that is meant for uplifting the poor masses which will be appropriated for classic government bloat.

Ambassador Hussain Speaks on Relations With U.S.

93AS0370B Lahore *THE NATION* in English
22 Dec 92 p 3

[Article by Akbar Ali Sial: "Pak-U.S. Ties Being Redefined After Cold War: Abida"; quotation marks as published]

[Text] Lahore—Pakistan-U.S. relations are being redefined after the end of Cold War. Before the collapse of former U.S.S.R., Pakistan was a close ally of United States and India was regarded as strategic ally of U.S.S.R. But after the break up of former Soviet Union, United States is redefining its relations with India and Pakistan.

These views were expressed by Syeda Abida Hussain, Pakistan Ambassador to the United States in an exclusive interview with *THE NATION*.

She explained that with the dissolution of U.S.S.R., India felt a sense of insecurity so she intended to improve ties with the United States. In February 1992, India developed diplomatic relations with Israel in order to win the sympathy of Jewish lobby active in the United States for ensuring U.S. friendship.

Pakistan and India both have advantages and disadvantages in this context. India is six times bigger state than Pakistan which gives her an edge over us. But we have an upper hand as old friend of America which the United States itself recognises, she pointed out.

Pakistan has reoriented its policy towards the United States from aid to trade. "We are increasing economic ties with the United States. So we can cultivate our relations on the basis of mutual interests," she told.

Russia is demanding payment of \$14 billion from India that are due to her for defence equipment which she purchased from U.S.S.R. in the past.

She further stated that the arms market of the world is open to all the countries but we always prefer to purchase defence equipment from America only to honour our previous commitments. So the United States must also honour its promises, also regarding spare parts of F-16s and other military hardware.

Commenting on the recent rumours regarding declaring Pakistan as 'terrorist state' she said that this scuttlebutt is totally baseless. She explained that Hindu fanaticism at Ayodhya have shattered the myth of secular India. Fearing international condemnation the Indian lobbyists in the United States have attempted to put Pakistanis feel defensive by threatening us with the bogey of terrorism. She asserted that no sensible Pakistani should pay any attention to this empty Indian propaganda.

Pakistan abides by all international conventions and obligations and its citizens lead a much better life than Indians.

But she has failed to prevent communal strife, abject poverty and regional movements for freedom in her body politics.

She added that as India fractures and bleeds from within, those who promote her interests seek to frighten and demoralise Pakistani people by forecasting doom for one reason or the other.

She questioned that currently 4,000 Pakistani's troops are assisting UNO [United Nations Organizations] forces along with U.S. marines, how is it possible that the United States is going to declare Pakistan as terrorist.

When asked what major developments have been achieved since her deployment as Ambassador to the United States, she described that despite election engagements of U.S. politicians, she met with 62 public representatives and represented Pakistani point of view. They were convinced that Pakistan has security problem with India, which has nuclear weapons. So we cannot blind ourselves to the reality.

The United States also thought to relieve some pressure on Pakistan and in September 1992 passed a law which brings India's nuclear programme under scrutiny.

It also exempts Pakistan development assistance from Pressler Amendment.

U.S. administration has been made aware of Indian atrocities in Held Kashmir and her attitude towards Muslim minority.

She further told that India emerged as nuclear power in 1974 after her nuclear explosion. But Pakistan nuclear programme is peaceful and defensive.

All these facts have been properly conveyed to U.S. administration, she said.

She pointed out that Pak-U.S. dialogue will start afresh after inauguration of President-elect Bill Clinton. She expressed confidence that Bill Clinton Administration will be in our favour.

Relations With China Claimed Excellent

93AS0369C Quetta BALOCHISTAN TIMES in English
11 Dec 92 p 5

[Editorial: "Sino-Pak Relations"]

[Text] The Secretary General, Foreign Affairs, Mr. Akram Zaki, talking to a four-member delegation of the Chinese People's Institute for Foreign Affairs led by its Vice-President, Mr. Hui Zhen in Islamabad, observed that the time-tested and all-weather friendship between Pakistan and China had been growing from strength to strength despite vicissitudes of world politics, shifting international alliances and several changes of governments in the two countries. Sino-Pakistan friendship, as a matter of fact, is not based on any exigency but stems from the desire of the two peoples to come closer to each other and forge greater ties and expand the sphere of cooperation between the two countries.

The history is a witness to the testimony that relations between the people of China and people of Pakistan existed even before Pakistan came into being. The caravans of Chinese traders used to come to those areas of the South Asian sub-continent which formed Pakistan, with their trade goods, through the historic Silk Route. Those trade items were exchanged and then the Chinese traders used to return to their own country through the same Silk Route. The contacts flourished tremendously between the two peoples. After emergence of Pakistan on the map of the world as a full fledged independent and sovereign country, these contacts flourished not only from people to people level but also at the level of the two Governments, a process which is still continuing unabatedly.

The Sino-Pakistan friendship is not against any third country but is a major factor of stability in the region. Both countries' stands on regional and international are identical. They support the cause of the suppressed and oppressed people in every region of the world. They stand for respecting the inviolability of other countries' borders and are vehemently opposed to making any

interference in their internal affairs. Both the countries also stand for establishment of an equitable economic order in the world.

There is at present a loud talk of a new world order. However, in view of a strong and unbreakable friendship between the two countries, any sort of new world order cannot have any adverse impact on their friendship which is as stable as the Karakoram Highway and as lofty as Hamalaya. The Secretary-General, during his meeting with the Chinese delegation, among other things, also noted that both China and Pakistan shared the perception that after the collapse of the system which had emerged from the Malta conference, the world is moving towards a multi central rather than a unipolar world and that the emerging international order can guarantee peace and security only if it is based on the principles of U.N. Charter, five principles of peaceful coexistence and the ten principles of the Bandung Conference. This is indication to the reality that the friendship between the two countries is also a source of strength in the region and also a guarantee to establishment of a real and stable peace. Mr. Hui Zhen rightly termed Pak-China relations as the friendliest and the closest among nations. There can be no doubt whatsoever that both the countries had stuck together in thick and thin. China's support to Pakistan on the Kashmir dispute is known the world over. China is extending support to Pakistan inside as well as outside the international forums on Kashmir dispute. Similarly, during the war in Afghanistan, China strongly supported Pakistan's viewpoint. The fact is that Sino-Pakistan unbreakable link would grow stronger despite changes in the world situation. This friendship, as a matter of fact, has become more important than ever before for preserving peace and stability. Hence, it is all the more necessary that this friendship should further be strengthened through expanding their sphere of cooperation in more fields of economic and other activities. China's support and assistance to Pakistan in industrial and other sectors is enabling Pakistan to continue its march on to the road to development. Chinese aid and cooperation in establishment of vitally important projects like Heavy Mechanical Complex, Forge and Foundry, etc., and its cooperation in the energy generation sector has enabled Pakistan is commendable. [sentence as published] We firmly believe that the days ahead would witness furtherance of cooperation between the two neighbouring [as published] in economic, industrial, trade, cultural and similar other fields in the larger interest of the establishment of peace and stability in the region.

Regional Affairs

Babri Mosque Tragedy, Aftermath Viewed

Party Politics Dominates

93AS0326A Islamabad THE MUSLIM in English
14 Dec 92 p 6

[Quotation marks and italicized words as published]

[Text] The Babri Mosque tragedy suppressed all those cynical voices which were beginning to question the purpose and wisdom of partition. The barbaric display of fanaticism by Hindu extremists dramatically demonstrated the fact of Hindu-Muslim cultural 'separateness' which provided the *raison d'être* of the "Two-National Theory." As a result of the Babri Mosque episode and the massacre of Muslims that followed, people of all provinces in Pakistan were spontaneously united in a collective national protest against the outrage. The government and the opposition should have seized the moment and adopted a united position to deal with the crisis. The two sides getting together in the aftermath of such a national tragedy might have opened the possibility of further negotiations leading to the evolution of national consensus on some of the major issues. Unfortunately, the opportunity was squandered in a totally thoughtless manner—and by both sides.

It is known that the Pakistan High Commission had alerted the government in the last week of November that there was a serious possibility of the Babri Mosque being demolished by Hindu fanatics, and some of the Indian papers had prominently published the news about BJP [Bharatiya Janata Party] camps where 'demolition squads' were under training. Islamabad's reaction was typical; the High Commissioner had unnecessarily panicked and there was no need to alarm the people or alert the world. All that the President and the Prime Minister considered necessary was for the Foreign Office to issue informal instructions that Pakistanis should not travel to India and those who were in India should return home as quickly as possible. Had the government realised the seriousness of the situation, it would have taken the opposition into confidence and also informed the people so that they could give full expression to their feelings. The United Nations and the Organisation of Islamic Conference [OIC] should have been warned of the danger when the government of Pakistan was in possession of the facts relating to the preparations being made by the BJP to commit the ultimate outrage. Had the Prime Minister got in touch with Benazir Bhutto at that time, he would have demonstrated his willingness to put party politics aside and face the national crisis in cooperation with other parties. Unfortunately, he woke up to the cries of the "martyred" mosque too late.

The opposition too continued to play politics. Admittedly, the government had failed to take appropriate steps to build up world opinion to prevent the demolition of the mosque, but it was incumbent on the opposition to put aside all personal and party differences and cooperate with the government. But the track record of the opposition over the last 45 years shows that except under threat of war in 1965, they never get together and cooperate with the government on any national issue. Their record of negotiations in 1969 and 1977 shows that for them negotiations mean nothing but getting rid of whichever civilian government happens to be in office and bringing in military rule. That is the route they

continue to follow not because they believe in military rule but because they do not have any civilian democratic alternative to offer.

Prime Minister Nawaz Sharif's address to the nation and Benazir Bhutto's reply to his invitation demonstrate their deep commitment to the pursuit of personal power regardless of national needs and requirements.

Minority Compensation Sought

93AS0326B Islamabad THE MUSLIM in English
14 Dec 92 p 6

[Text] Most government promises are meant to be consigned to oblivion because public memory is so short. Pious promises are almost always forgotten. Let us hope Prime Minister Nawaz Sharif was serious about his promise to compensate all those members of the minority community who suffered losses or injuries during the December 7 protests following the Babri Mosque outrage in India. We must, first, admit to our great shame that some unruly elements took the law into their hands and stupidly decided to settle accounts with the innocent Pakistani Hindus for what their co-religionists in India had done to their Muslim fellow Indians. Nothing could be more intolerable than this kind of mindlessness, compounded with cruelty. It would not be out of place to mention that there has been some element of dereliction of duty on the part of the civil administration. Had it been less short-sighted, it could have organised preventive measures in anticipation of possible disturbance of peace. One can draw a modicum of comfort to note that the trouble was short-lived and on a limited scale. But it was unworthy of a decent society, anyway. Communal conflict is endemic in India. It is also too frequent to be overlooked. But that does not by any means provide excuse for or condone commission of excesses on the person or property of innocent members of the minority community in Pakistan.

Now that the unlovely events of December 7 are behind us and the dust is settling down on them, it does not mean that we should forget our obligations. Particularly the responsibilities which the government has officially undertaken. Prime Minister Nawaz Sharif owes it to himself and to the self-respect and honour of the whole nation to ensure that full justice is done to those who have suffered. Foremost is the government's responsibility to make it absolutely sure that they are assured total and unassailable security of life and peace of mind. It is reported from a number of centres in the country that smaller groups of Hindu citizens are still feeling unsure of their safety. At some places they have felt impelled to move out of their homes and sought refuge with friends. Many have been offered protection by Christian churches. This is obviously indicative of the fact that the Hindu citizens need more convincing assurance of security. It is clearly the duty of the civil administration, and more importantly, of the Muslim neighbours of their Hindu fellow citizens to be the

guarantors of protection and safety of the members of the minority community in their midst.

Where hooligans have caused damage to Hindu property, the government should take immediate steps to assess the extent of the repair work involved and have it carried out. In the case of damage to places of worship, it is the bounden duty of the government to provide funds to the Hindu community to enable them to have due repairs carried out under their own supervision and to their satisfaction. One should expect conscientious citizens to contribute to this work in cash or kind. Most of us talk *ad infinitum* about Muslim values and the teachings of the Holy Prophet (PBUH) [Peace Be Upon Him] in respect of the rights of the minorities in Muslim communities and the duties of the Muslim majority towards minorities in the society. But the conduct of most of us invariably turns out to be a total negation of the noble principles and traditions.

Prime Minister Nawaz Sharif should lose no time in issuing clear orders and insisting upon the officialdom to report compliance not only to the government but also to the general public. After all, the commitment to compensate the Hindu citizens by the Prime Minister is, in the ultimate analysis, a commitment made by the nation, that is by the Pakistani Muslim majority to the Pakistani Hindu majority. Commitments of honour must be fulfilled to the hilt. And as soon as possible.

Fanatics Resurging

93AS0326C Islamabad THE MUSLIM in English
19 Dec 92 p 6

[Text] Babri Mosque outrage would hurt Pakistan in several ways. It has generated a sentiment which feeds the fanatic. We too have more than our share of them. Thanks to the resurgence of democratic polity and a relatively free and courageous Press, fundamentalists in our society, who had flourished in the stifling environment of dictatorship, had been thrown into retreat. Some of the least agreeable among them have started their attempt to crawl back into the limelight. According to reports in the newspapers, Islamabad was the venue of a conference of over forty leaders of Islamic parties. And these parties are supposed to have joined hands to form a "united front." In the lead is our good, old Senator Samiul Haq. He had been lying low and quiet for quite some time. In case you have forgotten all about him, just recall the mysterious Madame Tahira. It is not for us to decide who contributed to whose fame. But somehow the nexus, however imaginery or fanciful, is there and refuses to go away from public memory which, at least in this case, doesn't seem to be all that short. So, to return to Sen Haq, it is now said that he has found more than forty Islamising veterans who have joined him with their hordes of followers to resume the march towards their very own brand of the Islamic Republic of Pakistan. The resurrection of Sen Samiul Haq from oblivion is something we have Shri L.K. Advani and Shri Murli Manohar Joshi to thank for.

Now, before we try to see what Sen Haq is up to, we might first be clear about the vital statistics of the "united front" he has cobbled up. There are "over forty" crusading parties which have decided to follow Sen Samiul Haq on the road to salvation. Ever heard of forty such parties? That's farce No 1. The only explanation we have been able to formulate is that while he was in political hibernation (or hiding, after that story in the newspapers) Sen Haq had been spawning these forty and more. And now with this army he has not only surfaced but pronto delivered an ultimatum to Prime Minister Nawaz Sharif to return to the straight and narrow.... What else? It would be risky to be sure about this. But one possibility could well be the call to Jihad against the Islami Jamhoori Ittihad, that is the IJI, of which Sen Haq was once a luminary.

Most Muslims firmly believe that Islam is all about one-ness, *wahdat*. What is one to make of "over forty" Islamic parties. If they are in such abundance, they are also in such variety. It is only appropriate to look for what divides them. If they were not divided, surely, they would be one party, not forty plus. Those so divided are unlikely to impress any rational animal with their "united front." The same sort of perplexity is caused to a normal citizen of Pakistan when confronted with Ulema-i-Islam and Ulema-i-Pakistan. What exactly distinguishes (or divides) these two different makes of *ulema* of ours? If these venerable *ulema* were wedded to the same *ilm* they would not be in separate folds. But they are poles apart. Their infinite variety doesn't end there. Much more of it is to follow presently. Under these two distinct labels, there are sub-classifications of *ulema*. You have Jamait Ulema-e-Pakistan (X group, Y group, Z group, recurring). The same can be said for the Jamait Ulema-i-Islam. They have their different formations. So, how far have we travelled from one God, one Book, one Prophet (PBUH), and in what direction? You will have to work it out for yourself. And you are going to need the most sophisticated and versatile of computers. We are handicapped by paucity of resources.

Our best wishes to Senator Samiul Haq and his forty and more.

Happy hunting.

Nation's Satellite Services Offered to Central Asia

93AS0374B Lahore NAWA-I-WAQT in Urdu 12 Dec 92
p 6

[News Report: "Central Asia Will Be Connected by Telephone Using Pakistani Satellite"]

[Text] Tashkent (NNI)—Central Asia and the commonwealth of the freed nation there will be connected telephonically to the rest of the world by January using a Pakistani channel. These countries will be able to connect to the rest of the world by telephone. A Japanese satellite will be utilized for this purpose, and several Pakistani channels will be provided to these countries for telephone facilities. In the past, all countries under the

Soviet Union were connected via Moscow, and calls were connected by operators instead of direct dialing. The leading Central Asian republics—Uzbekistan, Tajikistan, and Azerbaijan—do not have access to the latest telephone technology, including mobile telephone and direct dialing system. This system is being installed by several Pakistani companies.

Lasting Peace With India Seen Unavoidable

93AS0368I Karachi DAWN in English 15 Dec 92 p 11

[Article by Mazhar Ali Khan: "Subcontinent Quicksands"; quotation marks as published]

[Text] Born together in bloody strife and mass suffering over forty-five years the subcontinent's two—later three—sibling states have not learnt to live like good neighbours or foster civilised societies. Their mutual hostility, culminating three times in armed conflict, has stunted their normal growth and retarded their development, leaving them favourite clients of greedy arms-merchants.

Many problems were bequeathed to them by the Raj. Its earlier policy of divide and rule was matched by the perfidy with which its plan to divide and quit was devised and implemented. Important issues were left unsettled, thereby promoting greater suspicion and tensions between the new states. The peace and cooperation required for the countries to prosper, and emulate the progress made by other states in the region, remained beyond their grasp. After 1947, new difficulties were created by the subcontinental leadership's inability to agree on the basic principles of peaceful coexistence, its failure to promote healthy bilateral relations, and a frequent readiness to sacrifice the common weal for petty partisan advantage.

Ayodhya Tragedy

The current year started badly anyhow, but with the Ayodhya tragedy and its aftermath, Indo-Pakistan relations seemed to have touched their nadir. Even before December 6, the two sides had escalated unfriendly verbal exchanges, particularly following the mysterious death of two Pakistanis in Jullunder, which persuaded Pakistan to take the unprecedented step of advising its citizens not to travel to India. The background to heightened tension was provided by the charge and counter-charge in relation to the mounting anti-Indian insurgency in Kashmir and New Delhi's persistent allegations that Islamabad continued to fuel the fires of the violent Sikh agitation for the Punjab's secession from India.

The Ayodhya happening was all the more painful because it was easily avoidable. The date for the fanatics' final assault on the historic Babri Masjid had been proclaimed many weeks in advance. Hundreds of thousands of volunteers had been mustered by reactionary Hindu parties and were allowed to reach the site without any interference. Their leaders had made no secret of their evil intent, declaring that no matter what the

Supreme Court had said or the BJP [Bharatiya Janata Party] Government had promised, the Mosque would come down.

It did come down within a few hours in a well-planned operation executed with great expertise. It is not possible to accuse the union government of collusion, but in trusting the BJP Government to keep its pledge and prevent destruction of the Mosque, Narasimha Rao was utterly naive. His government had been asked by the Supreme Court to act and he had been urged by all secular parties to preempt the assault on the Mosque. His excuses for inaction become thinner as more and more facts are revealed about what happened on the fateful Sunday.

The Consequences

The consequences of the Ayodhya outrage were predictable and had been predicted in dire warnings by many secular parties and Indian Muslim leaders. Communal violence began immediately after the act of horrible vandalism. More than one thousand persons have been killed all over India within the first week after Black Sunday. As if shocked out of its somnolence by the explosion, most later decisions of the Indian government have been appropriate and useful. Stern measures have been taken to curb the rioting with the help of the armed forces. A firm pledge has been given to rebuild the Babri Masjid—and—hopefully it will be handed over to the Indian Muslims. Further, the more militant BJP leaders have been arrested, and five communal parties have been banned. On this side, in an otherwise vacuous speech to the nation on the Ayodhya theme, Nawaz Sharif has also promised to reconstruct the Hindu temples damaged or destroyed and compensate the Hindu or Christian victims of pathological communalism. These promises must be honoured fully if the governments are to regain their credibility.

The knee-jerk reaction witnessed in Pakistan was not unexpected. It followed the traditional subcontinental pattern of cowardly reprisals against the minority community. The people's anguish and anger are understandable, but what is neither understandable nor forgivable is the IJI [Islami Jamhoori Ittehad] government's apathy. Not only did the administration refuse to protect the lives and property of non-Muslims under attack, but some leaders of the ruling party talked of revenge against 'Hindu India' and others actually took part in the destruction of non-Muslim places of worship.

When in return for the destruction of one mosque in Ayodhya, a hundred temples were attacked, burnt or razed in Pakistan and many Hindus killed, including women and children, Islamabad surrendered its right to condemn India before the world. As Punjab Chief Minister Wyne raved against Hindu hypocrisy and Hindu intolerance, his supporters went on a rampage in Lahore and did not even spare the Shahidgunj Gurdwara whose protection has always been a point of honour with Pakistan.

If Pakistan's political leaders had spoken clearly and with one voice, and told the people that attacks on Hindu temples could put Indian Muslims at greater risk, and endanger thousands of other mosques in India, the people would certainly have controlled their anger and checked their zealots. More than ever before it is the duty of all political leaders in both countries to guide, educate and lead the masses on a course that serves national interest. Instead, too often the crowd-hungry leaders of today have followed mobs instigated by political adventurers, exploiters of religious prejudices and sectarianism, land-grabbers and looters.

It is also strangely ironical that the more rabid fundamentalists in Pakistan demand more stridently than anyone else that India must abide by its secular Constitution and traditions, but they easily forget the Quaid's injunctions and ignore the principles he had enunciated in order to ensure Pakistan's democratic and secular status.

Brief Encounters

The present prime ministers of Pakistan and India have met briefly many times at international moots, and will meet again at the SAARC [South Asian Association for Regional Cooperation] summit next month. Hitherto, progress at these brief encounters towards normalisation of relations has been nominal. The two heads of government have presumably talked politely, with formal courtesy, and discussed matters of mutual interest, stating their own positions without giving offence. This commonality of approach betrays a timid adherence to past postures, without an earnest re-examination of policies, which has kept them marking time on square one.

It is said by many that Indo-Pakistan relations cannot improve until the Kashmir dispute has been resolved. It may be said with equal validity that a solution to the Kashmir issue will not be found unless Indo-Pakistan relations can be improved substantially and past fears and suspicions can be dissipated.

Earnest Dialogue

Leaders of the two countries, and not only those in government, must meet at the highest level and begin to talk seriously, so that solutions can be found to the subcontinent's problems. On Kashmir, it needs to be remembered by both sides that the state was offered on a platter to Pakistan by Indian leaders not known for their soft approach to the new Muslim state. The offer was rejected because Pakistani leaders refused to give up their imaginary stake in Hyderabad (Deccan).

It is vital that the issue should now be reviewed and reassessed, giving prime importance to the wishes of the Kashmiri people. Their unfettered right to self-determination must be acknowledged, and if this is what the Kashmiri people want, Kashmir should be accepted as a separate entity, its autonomy guaranteed by both Pakistan and India, with free access to both neighbours

for travel and trade, and with safeguards for their security interests embodied in the tripartite agreement. Other questions, such as the future of Ladakh and Jammu, can be settled through negotiations once the basic principles for a settlement have been accepted by all concerned. Touching the height of optimism, one can visualise that in this way Kashmir would become a bridge of friendship between the two countries instead of remaining a point of contention.

Many people say that no government in Pakistan can ever give up its traditional demand for a plebiscite, and that no government in India can abandon the stand that Kashmir is an integral part of India, because they would not be able to face their people. Such theorising tries to blame the people for the continuing stalemate. In reality responsibility for the deadlock and confusion rests with the pigmy leaders who rule the two states and feel that they need brave words and chauvinist slogans to retain public support—in the main because they usually neglect the people's basic needs and requirements. On this or any other issue if a sensible approach is made by the leaders, the peoples of the subcontinent are mentally balanced and their hearts are in the right place, so they will happily accept a rational situation to common problems. Above all else, they want to live in peace and goodwill with their neighbours; and they are well aware that only peace can make it possible for the two governments to fulfil the promises about their people's welfare that are made so often but cannot be met.

The Future

Time is running out for these countries. They are locked together as the result of common history, unchangeable geography, cultural and linguistic affinities, ethnic consanguinity, all of which predicate that they must live in harmony. There are no other options. Their present policies must change, if necessary by change of leadership. India must build a broad secular front to defeat the advocates of a Hindu Rashtra. Pakistan must establish full democracy and, as a first step, restore its unamended 1973 Constitution. To bring it peace and stability, the subcontinent must be given a new direction. Otherwise, floundering in the quicksands of their own making these countries can only sink deeper into the morass with every passing year. Only by helping each other will they find the firm ground that allows them to continue freedom's journey with some hope of reaching their common goals. If the leaders fail to do so, posterity will not forgive them, history will not absolve them.

Qayyum Urges Government To Sever Ties With India

BK1712105992 Islamabad *THE NATION* in English
17 Dec 92 p 12

[Article by Rana Jawad]

[Text] Rawalpindi—Prime Minister Azad Jammu and Kashmir Sardar Abdul Qayyum has said that Pakistan

should end diplomatic relations with India to stop it from committing gross human rights violations against the people of Occupied Kashmir and the Muslim community in India.

Addressing the Rawalpindi Bar Association on Wednesday, Sardar Qayyum said that the desecration and destruction of Babri Mosque has exposed the hollowness of the so-called Indian secularism.

"This shameful act has confirmed the two-nation theory that the Hindus and Muslims are two different nations who cannot live together", he added. Sardaf Qayyum said that the present Indian government equally shared the responsibility of the destruction of the Mosque.

He also rejected the Western media propaganda that Pakistan was involved in any terrorist activity. "The Indian Government is directly responsible for the terrorism in the region", he added.

He said that the AJK [Azad Jammu and Kashmir] had a large number of retired army officers who would willingly offer their services to Pakistan in any situation of crises. He hinted of an armed struggle against India if the Indian government continue to use force in suppressing the freedom movement in the occupied Kashmir. Sardar Qayyum also vehemently criticised the Pakistani politicians for ignoring vital national interest for personal gains. He was of the opinion that Pakistan was playing a rather constructive role in the international politics to bring about harmony and peace in the region.

He said that forces who wanted to distort Pakistan's image should realize the consequences of such a move. He added that Pakistan had never supported terrorism of any form anywhere in the world.

He wondered why the Western world was ignoring the state terrorism in India especially against the Muslim community.

Sardar Qayyum came down heavily upon the Pakistani politicians. He said that the Pakistani politicians should adopt a more serious approach in resolving long standing conflicts like the Kashmir Issue.

He regretted that even the tragedy as grave as the demolition of Babri Mosque have failed to unite the politicians. He hoped that the Pakistani government would continue to give moral and political support to the freedom fighters in Kashmir.

Earlier the Rawalpindi Bar Association members welcomed Sardar Qayyum and thanked him for accepting their invitation.

Mounting Tension With India on Diplomatic Front Viewed

BK1912100792 Islamabad THE NATION in English
19 Dec 92 p 6

[Editorial: "Diplomatic War"; quotation marks as published]

[Text] Following the expulsion of three Indian officials, which the Indian High Commissioner has termed as a 'clear retaliatory action' the 'diplomatic war' now being waged between New Delhi and Islamabad is likely to be further stepped up. Mr. Lamba has usually taken a self-righteous position. Claiming "we do not retaliate in this manner" and has also disclaimed any move in the offing to scale down the size of Indian missions in Pakistan or to ask the Pakistan government to reduce the strength of its missions in India. Nevertheless, the way things are moving it seems almost certain that escalation of tension on the diplomatic front is poised to assume alarming proportions. Duplicity has always been the hallmark of New Delhi's foreign policy and when the Indian High Commissioner says that his government does not wish to raise the temperature, it does not mean that New Delhi has honourable intentions. Needless to say, the current battle of wits was triggered off by the blatant kidnapping and murder of three Pakistani visitors branded as 'terrorists' by Indian intelligence men. What has followed is a chain reaction of retaliatory measures to get even with each other, and if it is not reined in by mutual understanding it could lead to a virtual breakdown of diplomatic relations.

What is New Delhi up to is not hard to tell. The beleaguered Narasimha Rao government is in desperate need of raising a 'bogey' to salvage itself from the Ayodhya debacle. And nothing would be more handy than precipitating confrontation with Pakistan. The strategy appears to be aimed at 'killing two birds with one stone' to divert attention from the fiasco of Indian secularism and to steal from the BJP [Bharatiya Janata Party] the thunder of a tough line against Pakistan. The Narasimha Rao government, having shamefacedly connived at the demolition of Babri Mosque, is now trying hard to redeem its image by cracking down on the BJP. However, related measures, such as dismissal of the BJP governments in three states, do not signal a change of heart in New Delhi. The Congress party, reared in the culture of hypocrisy, is not capable of playing straight on the issue of communalism, and no matter how loud a lip-service it pays to the ideal of 'Indian secularism', it has neither been in the past, nor it would be in future, willing to fight it out with the forces of Hindu communalism. Taking on the BJP does not mean that the Congress government has at long last picked up the courage to defend whatever worth is Indian secularism. [sentence as published] It is on the country, an expression of New Delhi's assessment that the BJP bluff has been called and it is time to cut it down to size politically. Even the veteran BJP leader Atal Bihari Vajpayee

has admitted that the BJP has made a gross miscalculation. The Congress party is merely trying to make political mileage out of the BJP's debacle. In any case New Delhi's attempts to frame up a case for confrontation with Pakistan is a gimmick it has used quite often in the past, and one hopes that the people of India are not naive enough to be taken in by such crude tactics to give the Congress party the kind of mass support it is desperately seeking to override its crisis of credibility.

Internal Affairs

Bhutto Seen Traitor For Remarks on Nuclear Program

93AS0336A Lahore NAWA-I-WAQT in Urdu 5 Dec 92
p 10

[Editorial: "Nuclear Program—Madam's Absolute Injustice"]

[Text] The U.S. network television, NBC, reported on Wednesday that when the Indian troops were practicing warfare on the Pakistani border in 1990, Pakistan had a nuclear bomb to drop on India. The plan was to use the military transporter C-130 to drop this bomb. In an interview with NBC, Benazir Bhutto, the opposition leader and former prime minister, claimed that the U.S. ambassador was aware of this plan and that protests to the military commanders and her government were dismissed. The Lady said, "I have no proof of this. However, some person was ready to press the button to release a nuclear weapon just to discredit my government." The U.S. Jewish lobby and the media under its influence have been involved in propaganda against Pakistan's nuclear program for the last 10-12 years. Its efforts were accelerated or slowed down depending on the situation and needs. When the Afghan jihad was in full force against the Soviet Union, the United States needed us and did not want to bother us. At that time the propaganda was slowed down. The campaign, however, was never stopped. Now that the U.S. political interests in this region are tied to India, U.S. politicians and media are working hard to give notoriety to Pakistan's nuclear program again. Unfortunately, they have the support of Pakistani politicians who are willing to do anything to topple the present government. They do not care whether such efforts might jeopardize our national security.

What the U.S. television has said is objectionable and a conspiracy against Pakistan. We can understand the reason for this propaganda at this time, when Pakistan's Prime Minister Nawaz Sharif is getting ready to visit Japan, and there is the hope that Japan will provide capital on a large scale to help Pakistan's private industries. Japan is the only country in the world on which the United States has dropped an atomic bomb, and its effects are still being felt there. Japan does use nuclear power, but the Japanese are extremely scared of nuclear weapons. Telling the world that Pakistan has seven nuclear bombs and that it was ready to drop a bomb on

India in 1990 would definitely unnerve the Japanese. The accusations levied by Senators John Glenn and Larry Pressler are part of this effort. What amazes us is that former Prime Minister Benazir Bhutto is agreeing with these anti-Pakistan forces just because she is against Nawaz Sharif. She is endorsing the anti-Pakistan lobby as a powerful witness. It is obvious that this statement by Pakistan's former prime minister will convince the involved people that Pakistan is a nuclear power. The fact that she was willing to target India in 1990 shows how irresponsible she is.

Benazir Bhutto has not served the nation and its people, if the United States uses this statement as an excuse to impose more restrictions on Pakistan or if the Japanese are upset with us. In any case, this is definitely unfair to our nation and its people. Pakistan already has many problems, and these are caused by outsiders. If our own people also follow this path, we can guess what will happen to our country! After this statement issued by Madam Bhutto, the government's accusation that the Long March was just an excuse to spread anarchy and stop investment in Pakistan seems to be viable. The nation expects her to act with responsibility as the former prime minister and a top leader. On one side, she is instructing her assistants and followers to improve relations with the military and is using her connections in this context, and at the same time she is accusing the military of planning to drop a nuclear bomb just to topple her government. The foreign secretary was right when he said, "Can we believe that the prime minister was unaware of what was happening in the country?" Madam Bhutto issued a similar statement after her dismissal also. She accused military intelligence of playing a major role in overthrowing her government. Later, she accused some ISI [Information Service of India] officials of it, and now she is accusing President Ghulam Ishaq Khan! Observing all these contradictions in her stand, we can see how reliable her statement to the NBC is! We cannot be proud of such a situation when discussions of our national security and progress are used for political reasons.

The truth is that the West is trying to sabotage all of Pakistan's development plans and to spread anarchy here, just like it is doing in Libya and Iraq. It opposes Pakistan's peaceful use of nuclear power, but does not mind that Israel, South Africa, and India are capable of making nuclear weapons. Now that the government in the United States is changing hands and Pakistan is trying to improve the situation and make various laws and rules lenient to encourage foreign investments, all powers that are afraid of Pakistan's progress, affluence, and stability have become very active again. They are trying to prove that Pakistan is a terrorist nation or to declare that it is a hostile nation preparing nuclear weapons. The opposition leader's statement has provided them a weapon that these powers can use against Pakistan with full force. This way, she has also hurt her own credibility. Her government was dismissed and she is unhappy because she is in the opposition. However, it

is not the nation's or the people's fault. She should face her opponents in the political arena and keep the interests of our nation in her mind. She should not issue statements that help the enemy realize its goals. May Allah help the government in nullifying this propaganda effectively, and when the prime minister visits Japan, may there be no negative effects. This is the test of our government's ability and its diplomatic skills.

Analyst Argues for 'Freeze' of Nuclear Program

93AS0369D Lahore *THE NATION* in English
30 Dec 92 p 11

[Article by Abbas Rashid: "The Nuclear Crunch"; quotation marks as published]

[Text] As we approach the end of 1992 and a new administration under President-elect Bill Clinton prepares to take charge in the United States, Pakistan's nuclear programme is once again the focus of attention. The approach of the outgoing Republican administration had been one of turning the screw slowly. The U.S. President declined to certify after 1989, the chapter of the Afghan Jihad having been closed, either that Pakistan did not possess an explosive nuclear device or that continued U.S. assistance would significantly reduce the probability that it will acquire one. As a result, from 1990 onwards Pakistan has been subjected to an aid cut-off under the Pressler Amendment by the United States. At the same time, however, it has allowed the substantial amount of aid in the pipeline to be disbursed—thereby supplementing the stick with the carrot. But, it has made little effort throughout this period to address itself to Pakistan's genuine security concerns vis-a-vis India and its nuclear capability. Pakistan has consistently argued against the unilateral renunciation of the nuclear option given the historical context of the mutually antagonistic relationship between the two states and the three wars that they have fought so far. That two such neighbouring states have established nuclear capability underlines the dangerous situation unique to the region and lends urgency to efforts to make it nuclear-free. And yet despite its stated concern with non-proliferation, the U.S. is content to register half-hearted approval of the various proposals that Pakistan has put forward to this end, proceeding meanwhile to pressurise Pakistan in various ways. A long-standing proposal has been that Pakistan and India sign the nuclear Nonproliferation Treaty (NPT) simultaneously. A major initiative was taken last year when Pakistan proposed in June 1991 that a five-nation conference be convened on non-proliferation. All such proposals have been turned down by India. Previously it had contended that India's nuclear option remained open by reference to its strategic calculations vis-a-vis China. With China agreeing to sign the NPT, India has proceeded to link its future course of action with universal and comprehensive nuclear disarmament, i.e., India will give up its nuclear option when all other states do so.

Meanwhile, the pressure against Pakistan shows few signs of letting up. The U.S. aid cut-off is in place and there are rumblings that things could get worse. A news report aired by an American TV network on the eve of Prime Minister Nawaz Sharif's visit to Japan concluded that Pakistan had seven atomic bombs. In particular, the Japanese government reportedly made an issue of comments made on the programme by the former Prime Minister Benazir Bhutto to the effect that Pakistan had nuclear capability, "...someone may have turned on the nuclear switch in the Spring of 1990..." Led by the Prime Minister himself, the IJI [Islami Jamhoori Ittehad] has made these 'revelations' the centre point of an intense anti-Bhutto campaign without waiting to consider whether the report served merely as a convenient peg for the Japanese government to highlight its concern with the region's unresolved nuclear tangle. For surely the Japanese government has sources of intelligence more reliable than the NBC when it comes to making an assessment of the nuclear capability of a country for which it happens to be both, the major donor as well as trading partner. There is no doubt that the NBC was the wrong forum for Ms. Bhutto to have aired her views on matters essentially of national security and national concern as, for instance, the right of an elected Prime Minister responsible to the people to know, precisely, the details pertaining to matters of defence and security. But as for the allegation that Benazir Bhutto undermined Pakistan's position by affirming that Pakistan had nuclear capability, that had already been done earlier in the year at the official level when Pakistan's Foreign Secretary Sheharyar Khan boldly proclaimed in Washington that Pakistan had the components to assemble at least one nuclear bomb. This, for better or worse, was a turning away from a policy of maximum vagueness at the official level with regard to Pakistan's nuclear weapons capability, to one of suggesting that if pushed to the wall Pakistan could come up with something reasonably unpleasant in short order. Whether or not it paid the expected dividends, we all have to live with the consequences of that shift in strategy effected, presumably, in the nation's best interests. True, Mr. Sheharyar had added then that a political decision had been taken not to pursue a nuclear weapons development programme. However, as he would know better than most, states respond to other states' capabilities, not their intentions, just as we have responded to India's nuclear explosion in 1974 by categorically refusing to renounce our own nuclear option, notwithstanding Indian professions, ad nauseum, that the explosion was 'peaceful' or that it had no intention of pursuing a nuclear weapons development programme.

However, it is not going to be easy for Pakistan in the months to come to sustain its position that there will be no unilateral renunciation of the nuclear option. Regardless of who is to be blamed, the fact remains that it is by reference to the nuclear issue that Japan has held up the disbursement of approximately 400 million dollars. The U.S. aid cut-off remains effective and meanwhile there has been more than one report in the Press citing sources

close to the State Department that Pakistan runs the risk of being put on the list of 'terrorist' states for arming 'militants' fighting in Kashmir against the Government of India. Naturally in this context there is no mention of the thousands who have been murdered and raped or tortured in the Kashmir Valley by the Indian security forces. It is in fact unlikely that Pakistan will be put on this list in the immediate future but it will be used as a source of pressure in the months to come. The accusation of alleged arming of the Kashmiri militants is a transparent bid to force Pakistan's hand on the nuclear issue. At the same time it reflects U.S. concern with a stable India that could perform the duties of a regional influential.

A powerful section among U.S. policy-making circles seems now to be advocating a much harder line vis-a-vis Pakistan. Primarily, the argument would run, because it can afford to do so. First, the Afghanistan issue though far from resolved is no longer relevant. And second, the U.S. is the only superpower in a unipolar world. As such there is little need to keep up the pretence of morality and a sense of fairness informing policy. Why pause to consider the merit of Pakistan's argument that renouncing the nuclear option would compromise its security if India does not do so as well. Why accept a nuclear freeze if you can force Pakistan to 'roll back'. And if Pakistan does effect a roll back to its nuclear standing of 1989 levels, it can always be maintained that this still leaves it free to enrich uranium to weapons grade level and that nothing less than actual inspection of Kahuta and other facilities would be acceptable. And so on. More than one U.S. delegation is expected to visit Pakistan in the months to come in the pursuit of these objectives. Recently the Press has carried the views of Ms. Judith Kipper, a Middle East specialist at the Brookings Institute, Washington D.C., currently on a visit to Pakistan. The sheer arrogance and uncivility that she has brought to her observations could be a matter of personal style but is as likely intrinsic to the nature of the message that she has sought to deliver. Pakistan, in virtually so many words, has been told to improve its "behaviour" or else. The threat of being declared a "terrorist" state has been spelled out and there is a summary dismissal of Pakistan's concern with India's nuclear programme and a delinking on the somewhat curious grounds that "India's programme dates back to the 70s. At that time India was in the Soviet camp and the nature of India-U.S. relations was different..." Ms. Kipper is not here in any official capacity. But given the circumstances it is entirely likely that we will be subjected to a similar idiom from more official quarters. Apart from being outraged then at what Ms. Kipper has had to say and the manner in which she has said it, this may well be an appropriate time to determine how we are going to respond in the face of increasing pressure.

Pinning our hopes on Japan exclusively may not be the wisest course of action. True Japan may adopt a more evenhanded approach vis-a-vis Pakistan and India's nuclear programme but will it, other things remaining

equal, take a position squarely contrary to that pushed by the United States on the issue? Pakistan's security interests at this point may well be best served by freezing its nuclear programme and concentrating on the welfare of the acutely deprived majority of its population. But as a self-respecting nation, it should keep its nuclear option open and not be pushed into a unilateral renunciation. The key question to ask, however, is are we in any position to do that given that we seem, virtually, to be at war with ourselves. It may perhaps be more realistic in a polity where the government and the main opposition party cannot even find the most minimum basis for accommodation—and even a crisis such as this provokes no real change in attitudes—to ponder the terms of surrender rather than a strategy of resistance. There may still be time to alter this grim scenario but it is fast running out.

Bhutto Hit On Revelations on U.S. TV

93AS0368A Karachi DAWN in English 7 Dec 92 p 7

[Article by A.R. Siddiqi: "Nuclear Issue: Need for Non-Partisan Approach"; quotation marks as published]

[Text] Except on two major issues, namely, Kashmir and nuclear capacity, national consensus has been, by and large, a rare virtue in our national politics. Even on such fundamental issues as the nature and character of the state as a secular or an Islamic state, rights of women, interest-based or interest-free economy, language and so on, opinion remains sharply divided.

Whether Kashmir and nuclear programme are relevant and integral to our national existence, sovereignty and freedom remains substantially immaterial so long as they continue to serve as the focus of consensus in a country divided practically on all other major issues. It is to be noted that apart from their tangible material value and practical advantage, Kashmir and the nuclear programme, together, serve as a powerful psychological factor to help our people close their ranks in the face of the heavy odds they have been consistently up against.

Viewed in the above perspective, the recent disclosures attributed by a foreign TV network, to an elected prime minister of Pakistan, Ms. Benazir Bhutto, acquire nothing less than a sort of a shocking quality in implication, if not in actual intent.

Coming as it did from the daughter of the putative 'father' of the so-called "Islamic Bomb," the late president and prime minister Zulfikar Ali Bhutto, Ms. Benazir Bhutto's reported revelations through a prime time programme of the NBC, acquire the inescapable aura of an act of filial infidelity and national disservice at a time we could least afford.

Prime Minister Nawaz Sharif is just about to undertake his once-postponed crucial visit to Japan—the only country in the world to have suffered a nuclear holocaust

and therefore most uncompromisingly averse to anything even remotely approaching a nuclear weapon programme.

Pakistan is known for possessing nuclear weapon technology and is openly accused of it despite its repeated affirmation and commitment to its non-use ever except in a worst case life-and-death scenario. For as long as India, a nuclear power already, persists in perfecting its nuclear clout, Pakistan cannot completely lower its nuclear guard for whatever its worth.

In its prime time "exclusive" programme, tendentiously entitled "Pakistan's Islamic Bomb" NBC spoke of Pakistan's "hidden" nuclear arsenals unearthed by the CIA in the spring of 1990. Pakistan had as many as seven atomic bombs "concealed" in nuclear facilities around Islamabad. While the hypothetical formulation of the U.S. television network can be convincingly challenged, its right to say it remains beyond control or question.

What is truly questionable, however, has been the participation and involvement of a former prime minister and the present leader of the opposition in such a patently one-sided and unquestionably tendentious programme. Saying her piece in the interview, Ms. Bhutto disclosed that even she, as the prime minister of Pakistan, was not taken into confidence about the nuclear programme. She alleged her "ouster" was the result of her "confrontation" with the army on the nuclear issue.

Responding to the former prime minister's disclosure the NBC anchorman commented:

"Benazir was not only ignored but overthrown in what some described as the nuclear coup after she confronted those who had built the bomb."

For her part, Ms. Bhutto went on to complain:

"It's criminal that the Prime Minister who is ultimately responsible in the eyes of the people and in the eyes of history should not be taken into confidence on such a major issue."

Whether it's the lament of a deposed prime minister or the anguish of a harrassed leader of the opposition is best left to individual judgment and perception. What matters in the ultimate analysis is that a former prime minister of Pakistan allows herself to become a party to the adverse, and no less absurd, campaign against our nuclear programme.

Until lately many a national paper had been engaged in a sustained campaign against Pakistan's top nuclear scientist Dr Abdul Qadeer Khan for a house he had built himself in suburban Islamabad.

That was bad enough. Now a former prime minister joins the issue to make the confusion worse confounded. The crux of the matter is that issues enjoying national consensus should be best left alone rather than dragged into partisan passion or individual chagrin.

Sharif Government Termed 'Small-Minded'

93AS0368G Karachi DAWN in English 16 Dec 92 p 11

[Editorial: "A Comic Theatre"]

[Text] Try as one might, it is hard not to give way to a sense of despair at what is going on in the political arena and at the shenanigans of seemingly responsible people who should know better than to do the things that they do. The inability of the government and the opposition to talk decently with each other—decency, in this context, standing for nothing more daunting than a modicum of restraint—is not even a joke any longer. It is getting to be a tiresome business, if not for the protagonists at least for the nation at large, whose seemingly great capacity for being amused by such antics has at last been exhausted. Talk to a common man who is unfortunate enough to read the nation's newspapers diligently and it will be all too easy to get a sense of the disgust and cynicism which the activities of our national leaders excite in ordinary breasts. There is nothing wrong with the government and the opposition going with hammer and tongs at each other. That is part of the price that has to be paid for a functioning democracy. But why must the leading lights on both sides of the political divide go so far out on a limb while abusing each other that when they have to retrace their steps they find themselves unable to do so?

The Prime Minister's recent speeches are a case in point. He has been vilifying the opposition to such a degree, questioning the patriotism of the PPP [Pakistan People's Party] leadership and imputing all kinds of fantastic designs to it, that the cause he has ultimately harmed is his own. When in the aftermath of the desecration of the Babri Masjid, he tried to summon a national conference of leaders in order to put up a display of national resolve and unity, all he and his ministers could drum up in Islamabad was a fractured and incomplete round-table gathering. Brinkmanship, agitation and the adoption of extreme positions are roles that opposition parties revel in. Ruling parties which have to carry the burden of governance on their shoulders cannot afford the same luxury. It just does not go with their interests. But here we are being treated to the spectacle of a prime minister perpetually on the warpath. It is a road he would be wise to leave as soon as possible.

The nation has paid a heavy price for the mindless wrestling matches in which the government and the opposition have been locked. This was a time to sink petty differences and forge a united stand on the desecration of the Babri Masjid. After all, what is involved is not just the fate of a single mosque but the safety and well-being of India's Muslim minority and also the larger question of peace and stability in the whole of South Asia. But what the Pakistani political leadership has done is to call attention forcefully to its extraordinary small-mindedness. After the vitriolic speeches delivered in recent days by the Prime Minister, he probably was not in the best of positions to invite the opposition

parties to a conference of any sort. Even so, with a bit of spadework, and by sending the proper signals to the opposition leaders, attendance at the conference presided over by him might have been better. If nothing else, there was a need to build bridges to the opposition parties even after the failure to make the gathering at the Prime Minister's round table conference a truly representative one.

But far from trying to improve the political atmosphere, various ministers have been vitiating it by making needless and irresponsible statements. The opposition, too, is not blameless in this regard. Ms. Benazir Bhutto's letter to the Prime Minister responding to his offer of talks by naming a three-man committee, all of whose members are in prison, to conduct negotiations with his emissaries may be a nice way of scoring a point but not an intent of any seriousness of purpose. It is time some sense dawned upon the leading champions from both sides. They are not only giving politics in Pakistan a bad name but turning the stage on which they are galloping like so many high-spirited steeds into a first class theatre of the absurd.

Sharif Ridiculed for Denying Economic, Political Crises

93AS0314E Peshawar *THE FRONTIER POST*
in English 6 Dec 92 p 5

[Article by Prometheus: "Is the 'Crisis' Only in Newspapers?"; italicized words as published]

[Text] The Prime Minister has categorically stated that the country is facing no crisis. He has also admonished the journalists for creating a crisis only on paper. That unfortunately is not a fact. The country is passing from more than one crisis.

Firstly, we have an acute political crisis. That has been the outcome of the complete alienation of the opposition from the existing system. That alienation is partly the creation of the present prime minister who on the behest of the establishment raised the level of confrontation with Benazir's government when she was in power. He in fact threatened to confine the federal government of that time only to Islamabad. She dared not even discuss the law and order problem in the province of Punjab, something that the present prime minister can do in any province, if so interested.

After coming to power the present prime minister not only continued the policy of dragging the opposition leader to the courts on the pretext of accountability but has also branded her party as terrorist and agent of India. His chief minister has literally threatened to break the hands and legs of the opposition and has actually been alleged to have subjected some of the leaders of the PDA [People's Democratic Alliance] to physical and mental torture. No doubt the police has resorted to uncivilised methods while dealing with the PDA supporters, especially the female workers.

The political instability not only is created by the prime minister's refusal to have a meaningful dialogue with the opposition, it has also been intensified by the structural contradiction created by the 8th Amendment. The speculation regarding conflicts in the troika have been often generated by this unique structure. Even the prime minister made an attempt to circumvent this amendment by the originally proposed 12th amendment. One of the complications of this phenomenon has been the duplicity of approach of the government towards MQM [Mohajir Qaumi Movement] in Karachi. While army authorities were going whole hog against that group, the ruling party through the public statements of Mr. Wyne and Ch Nisar made their displeasure over that action abundantly known. Even the recent briefings of the army authorities regarding their operation clean up in Sindh were not considered very harmonious with the IJI's [Islami Jamhoori Ittehad] viewpoint. The political air of this country is therefore thick with uncertainty, and that is yet another dimension of the crisis.

Secondly, the IJI's legislation and ambivalence of policies towards fundamentalist posture on a number of issues is also brewing a social crisis. The religious minorities are getting restive because of obvious discrimination. The recent crisis created by the government's insistence on adding a column of religion on the national identity card has added fuel to the fire. They were already sour with their complete alienation from the mainstream politics through the introduction of separate electorate. Perhaps because of the flaw in the relevant legislation the recent judgment of a court on the automatic divorce of Christian women converting to Islam has also exasperated the situation. Similar is the case with a number of other religious laws. This situation is not only complicating social position of the non Muslims but is also enveloping the various sects within the Muslims. Already Sipah-e-Sahaba are insisting on Sunni *fiqh* and declare Shiites non Muslims. The sectarian strife is growing fast. And these social conflicts have intense political ramifications.

Thirdly these contradictions are reflecting adversely on the economy. Uncertainty whether social or political is poison for the economy. A country ridden with uncertainty cannot hope to attract long term investment. And we need foreign investment rather desperately. In 1993-94 we will not get the interim relief that we have been getting from the IMF. The U.S. aid is already stopped. That will worsen our balance of payment problems. Our current account deficit is close to 3 billion U.S. dollars. And our debt servicing requirements are progressively rising. From 1.1 billion U.S. dollars in 1986-87, the figure rose to 1.5 billion U.S. dollars in 1991-92. These figures do not include interest on short-term borrowing.

As a consequence of our massive needs for short-term borrowing the net transfer of aid has declined tremendously over time. To meet the current account deficit we shall have to borrow more and more from commercial sources. That will intensify the already acute problem of our debt servicing liability. The external trade so heavily

dependent upon agricultural production is likely to get a jolt with the stagnation in that sector. Already we are talking about a sharp decline in cotton production for a number of reasons. Our import bill is also going to go up because of our intense need to buy food items more and more. Is this not a crisis? Or will it be acknowledged when we actually run into cash-flow problem and the panic takes over?

The problems faced on the BOP [expansion not given] side are also increasing our difficulties on the budget side. The rupee cover for the external debt service is reflected in the budget and enhances our budgetary gap.

The fiscal deficit in the current financial year would be around 85-90 and may even be 100 billion rupees. That will alarm the donors. That figure is likely to rise more and more threatening the entire economy. More and more currency would be printed by the government to meet the budgetary gap in view of its inability to take any hard decisions. Unstable governments embroiled in political conflicts with a powerful opposition cannot take hard decisions. Taking painful decisions is possible only in a polity where a reasonable consensus is developed regarding the measures necessary to meet the crisis.

One wonders if Mian Sahib has learnt any lesson from the mass expressions of resentment and discontent at times disturbing his own public meetings. Rhetoric in public meetings apart, he cannot surely attribute it to a conspiracy of AZO [Al Zulfikar Organization], into at least for policy making purposes.

There is no doubt that we are faced with a multi-dimensional crisis. And the crisis is deepening because the government in power is not taking the right kind of steps to resolve it. Why is it that all saner elements are advising the government to abandon the politics of confrontation and adopt the approach of accommodation? All of them cannot be unpatriotic. Or are they?

Sharif Said Increasingly Isolated

93AS0335A Karachi JASARAT in Urdu 1 Dec 92 p 6

[Article by Mohammad Riaz-al-Din: "Is Nawaz Sharif Left All Alone?"]

[Text] Women occupy an important place in the world of emotions; nevertheless, feminine emotions proved of no use in the task of leading the country, and the lady with a degree in political science was unable to bear the burden of premiership. The heavy load of problems and hardships and a people suffering from deprivations daunted her, and finally she had to leave the avenues of power. Without trying to apportion guilt, one would have to acknowledge that for the best of reasons, there was failure to grasp the reins of power.

The first Muslim lady prime minister was followed by Ghulam Mustafa Jatoi, an elder statesman who had experienced both the good and the bad, and he was entrusted with the privilege of carrying out the duties of

a caretaker government. During his short term of office, references were filed against the former prime minister and her friends, and following the general elections, Islami Jamhoori Ittehad [IJI] was invited to form a government. Mian Mohammad Nawaz Sharif, the head of IJI, was selected as the leader, and he is still performing the duties of prime minister. Earlier, as the chief minister of Punjab, he undertook courageous measures, and the people of Pakistan felt justified in expecting that as premier, the man of iron who had set Punjab on the path to progress would change the nation's destiny.

Ghulam Mustafa Jatoi has now divulged that fraud was perpetrated in the 1990 elections and that plans were made to bring about the defeat of certain important political personalities. Jatoi has also acknowledged that he created misunderstandings between the former lady prime minister and the president and had thus prepared the ground for her dismissal, that he was responsible for bringing the present government into office, and that he had thus committed a sin for which he begged [the forgiveness] of the nation and of God. He also said that he was helpless and the perpetrators of the fraud were powerful; however, according to a well-known writer for a respected Urdu newspaper, Jatoi is still on very good terms with these powerful individuals and he is not in a position to offend them because, in the political games of today and tomorrow, he may need their help and support. Perhaps that is the reason why Jatoi has also said that the entire political leadership and all governments should be brought to account with great severity and that a committee should be formed for this purpose composed of the chief justice, the prime minister, and the leader of the opposition. Irrespective of the many metamorphoses Jatoi will go through because of his inability to offend powerful individuals, he announced the good tidings to the nation in 1990, in firm and unequivocal terms, that the elections would be fair, free, and impartial. Since the ordinary citizen regarded Jatoi as a decent individual and dependable leader, the poor and suffering people believed him and heaved a sigh of relief that even though it took a long time, finally free and fair elections would be held in the developing country of Pakistan. Consequently, IJI received a heavy majority and the constitutional duties of the leader of the Islamic Republic of Pakistan were entrusted to Nawaz Sharif.

Nawaz Sharif's government has been in office for more than two years. Some observers have taken stock of the government's performance and have mentioned its important successes, such as the settlement of the differences among provinces over water distribution, revenue sharing, self-employment projects, establishment of the people's treasury, privatization, and other programs. There is no doubt that the present government carried out some important and far-reaching measures. The national construction program, highway construction, timely aid to flood stricken people, and other such projects should be counted among the government's achievements. But, at the same time, one cannot ignore the crises which the government has had to face, some of

which it was able to bring under control, but some others that have left deep and long lasting effects. In the first category are incidents such as the countrywide driver strike, which occurred as soon as the government assumed office, the oil tankers' strike, the Veena Hayat case, the cooperatives scandal, and others. In the second category are such problems as the high cost of living, unemployment, opposition to Nawaz Sharif, and the dissolution of the Islami Jamhoori Ittehad.

At any rate, unemployment and the high cost of living have always been problems requiring the attention of the authorities in office. Nowadays, the high cost of living has become a pervasive problem, not only in our country, but in the whole world, especially in the Third World countries. Even progressive Western countries are now suffering, not only from a high cost of living but unemployment as well. Nevertheless, IJI had promised that the ordinary people would be provided with greater facilities of life—the price of consumer goods would be reduced, and effective measures would be taken to end unemployment. The number of yellow taxicabs has increased significantly in the country; backward areas have been supplied with taxis and rickshaws in an attempt to end the former bicycle rickshaw slavery; under the self-employment project, loans have been given in large numbers; but at the same time, the complete stoppage of hiring, job changes, et cetera, in government offices has been important since it has forced innumerable individuals to live deprived lives. The irony is that when there is a job opening, it is necessary to have the recommendation of a MNA [member of National Assembly] or MPA [member of Provincial Assembly] in order to be eligible for selection on the basis of merit. As for the cost of living, one feels that irrespective of any progress or lack of it in other fields, there is a constant and speedy rise in the price of consumer goods; over the last two or two and one-quarter years, there has been a 60 percent increase in prices, which has seriously affected the nation's sense of propriety. Poverty leads to godlessness and wrongdoing.

Poverty destroys the finer feelings, and hunger knows no etiquette. Meanwhile, former warring parties and individuals are now united in their opposition to Nawaz Sharif. History seems to be repeating itself. The present prime minister had based the alliance of opposition to the former lady prime minister on two points: one, Benazir was incompetent, and two, Benazir should be removed (the People's Party could continue to rule provided another leader was selected). Today, Benazir has formed the alliance against the prime minister in exactly the same way. However, there is not as much possibility of her success because she does not have the support of respected and influential politicians and religious-based parties. She offers herself as the future prime minister and acts on that assumption, whereas her political antagonist did not allow even the name of the future prime minister to be announced until he was elected. He had his name proposed by former prime ministers who were generally regarded at that time as candidates for

premiership. All individuals want power in greater or lesser degrees, since ambition is a human trait; however, the expression of this ambition at an inopportune time or at too early a stage can make it harder to reach the desired goal.

Nawaz Sharif's own people are as opposed to him as his opponent parties. IJI and the Muslim League are his people, but this alliance has disintegrated and been defeated. Jamaat-i-Islami, National People's Party, Jamiat-i-Ulema-i-Islam, and Jamiat-i-Al-i-Hadith have abandoned the prime minister; in fact, Islami Jamhoori Ittehad, to which the people gave the right to govern, no longer exists. As for the Muslim League, one of its groups was opposed to the government from almost the beginning; the function of the Functional Muslim League is separate, and Mohammad Khan Junejo is secretly undecided. In short, no one supports the prime minister except the Muslim League ruling group. Even if alliance parties are included among the supporters, the situation does not improve; the Mohajir Qaumi Movement, which shared power, has lost all connection; Awami National Party shows its displeasure not just now and then but frequently. Even though it shares office, it has expressed its differences openly on many occasions and in the presence of the various personalities and leaders of the Muslim League. In short, Nawaz Sharif is now left all alone. One wishes that the present government would act on strengthening relations with religious parties and carry out the two-point program of public welfare and thus gain stability. At any rate, the ordinary citizen is not concerned with what kind of relationship Benazir has with American leaders, with what kind of metamorphoses changeable politicians will go through, why Islamic minded parties are not supporting the government or the opposition leader, with what the constitutional position of the present government is, or with what the legal and other justifications are for the long march. It would not be far from the truth to say that the ordinary citizen, beset by uncertain situations, constant worries, and a life like that of living marble, does not have the opportunity to think about the objectives of the country's creation. The ordinary man is so beaten down by the hardships of life that he regards the present floods as a warning from God to the ruling authorities. He believes that if the pay of employees had been raised in June 1992 and the high cost of living brought under control, the large expenditure needed to repair the damage caused by the floods may not have been necessary because there may not have been any floods. Everything happens by the will of God, and God is pleased when his creatures are made happy. He alone can avert disasters, for He is omnipotent and the real Avenger. It makes no difference to the ordinary people if Nawaz Sharif, the country's leading industrialist, the scion of the country's richest family, a man of power and a player in the game of power, has the ability to discern the pain of the ordinary individual. The people are only interested in results. It is not important whether someone is sensitive to the pain of others; what is needed is to

alleviate this pain. As far as results are concerned, the present government does not appear to have achieved much success.

Altaf Hussain's Exit Seen Unlikely To Change MQM

93AS0314I Lahore THE NATION in English 17 Dec 92 p 6

[Editorial: "Altaf Hussain's Exit"; quotation marks and italicized words as published]

[Text] Altaf Hussain's unceremonious exit from the political scene, whether a 'tactical retreat' or 'compulsory retirement,' is a major development of far-reaching implications for the country's politics, in particular the Sindh province. The MQM [Mohajir Qaumi Movement] supremo, always referred to as the 'Quaid' by his cadres, has been more of a godfather than a political leader who demanded absolute loyalty and obedience to his person, and did not hesitate to use terror tactics to put dissidents out of action. He had over the years managed to set up a formidable propaganda and mobilisation apparatus also capable of employing coercion to achieve political objectives. Nevertheless, his phenomenal rise in politics could not be attributed to a single factor, not the least to his organisation's willingness and ability to resort to violence. To give him his due, Altaf Hussain had somehow acquired a personal charisma and built a substantial support-base among the *mohajirs* in urban Sindh. The MQM was basically Altaf Hussain's 'baby,' though it had flourished on the politics of ethnicity, and without him at the helm, it may be treated as an 'orphan' with too many claimants fighting over its stewardship. While the battle for Altaf Hussain's succession is sooner or later likely to take a heavy toll of dissensions, defections and splits, the MQM will also have to reckon with its identity crisis.

Altaf Hussain's stepping down will not be enough to redeem the MQM's image in the wake of horrifying tales of blackmail and torture brought to the fore by the Army operation. And if the purpose of the *pir's* abdication is to let the MQM start with a clean sheet, it may not be a viable political proposition, given the fact that almost the entire MQM leadership has been a part to Altaf Hussain's dubious business. Altaf Hussain has anyway turned out to be a 'paper tiger' and, contrary to the image he had laboriously projected for himself, he knuckled under in the face of the first real challenge to survive in adversity. To run away from the country like a fugitive was his initial political debacle, and failure to operate through remote control made a further mess of the MQM affairs. He may have called it a day out of sheer desperation, as he could not live up to his promise of giving a befitting reply to the crackdown on the MQM, and his bluff was called. But, there have also been reports of a 'package deal' to let Altaf Hussain save face and live in peace in his self-imposed exile, leaving the MQM alone to negotiate a return to the corridors of power. All said and done, Altaf Hussain's abdication is not likely to

resolve either the problem of the MQM's *raison d'etre* in politics or the dilemma the ruling party has on hand in choosing a viable political ally in Sindh.

MQM Groups Seen Unlikely To Reconcile

93AS0314H Lahore THE NATION in English 15 Dec 92 p 2

[Article: "Patch-Up Between MQM Groups Unlikely"]

[Text] Even after MQM [Mohajir Qaumi Movement] Chief Altaf Hussain's announcement of quitting politics there is little likelihood of any patch-up between the two MQM groups.

BBC Urdu Service report prepared by Arjumand Bano after her talk with both the leaders of MQM says that there seems to be no change in their stand whatsoever.

The Haqiqi Group is of the view that Azim Tariq should dissociate from Altaf Hussain but Azim is not willing to do that. Whether the masses will continue their support to MQM leader Altaf Hussain and whether his leadership also remains intact is a question which remains unanswered. But obviously there is always an ideology behind the political thinking of a certain group.

As for the views of both the groups there appears to be a similarity between them which suggests that there is no danger of any loss to the Movement, though both the groups view the change of leadership from two different angles.

Afaq Ahmad of Haqiqi Group, however, maintains that formerly only a few people exploited the strength and unity of MQM for their personal ends which can now be exploited for positive solution of the burning issue through unity.

As far as the separation of Altaf Hussain is concerned both the groups seem to have welcomed the change and consider it to be a good omen for the unity of both the groups.

Nation Said Moving Backwards on Democratization

93AS0368B Karachi DAWN in English 7 Dec 92 p 13

[Excerpts of Article by Mohammed Waseem: "The Downhill March"]

[Excerpts] How did Pakistan reach the present impasse in political terms? Does Pakistan's history betray a downhill march and, if so, how? [Passage omitted]

7. The military governments in Pakistan have destroyed the political fabric by bringing about: constitutional breakdowns; rule of selective patronage instead of rule by public representatives; concentration of power in the hands of the Centre; regionalisation of the army's image on the basis of a division between the army recruitment

and non-recruitment areas; non-accountability of governments; rule by secret agencies rather than open participatory activity; obsession with mass parties such as Awami League under Ayub and Yahya, and PPP [Pakistan People's Party] under Zia; and general brutalisation of political atmosphere.

8. Party politics is the most significant casualty of the consistent official contempt for organised public activity in the society. In the absence of national elections on the basis of adult franchise for more than two decades, parties degenerated into landlord factions. They lost their organisational ethos, issue-based profile and general credibility as potential power-holders in a post-electoral framework.

The three martial law governments banned political parties for long years, a fact which caused tremendous damage to their organisational potential. Ayub provided no role for parties in the 1962 Constitution and held elections that year on non-party basis. Zia constantly denegated parties, held elections in 1985 on non-party basis and vowed to repeat it umpteenth times. While he undermined the efficacy of mass-based parties, he encouraged, co-opted and used splinter parties, sectarian parties and ethno-linguistic parties to destroy the electoral chances of the mass parties.

9. Successive governments have sought to de-legitimise opposition, and identified themselves with the state. They have i) instituted cases against opposition politicians under PODO [expansion not given], PRODA [Public & Representative Offices Disqualification Act], EBDO [Elective Bodies Disqualification Order] and other laws, seeking their ouster from active politics, ii) taken measures to demoralise, scandalise and paralyse party leaders and workers through various legal and illegal means. The Nawaz Sharif government has kept this tradition alive by keeping the opposition under permanent pressure. Incarceration of opposition has adversely affected the growth of democracy in Pakistan.

10. Political uses of Islam have contributed to undermining the sources of legitimacy of the state. Islamic ideology has been frequently exploited to serve as an excuse to deny elections to the nation, perpetuate the Centre's hegemony over provinces, and bypass the crucial constitutional, economic and administrative issues. It has led to the rise of sectarianism. This situation threatens to create further confusion, anarchy and intolerance in the country.

It is imperative to stop the downhill march of the nation to non-democratic, oppressive and authoritarian politics with immediate effect.

Politics of Confrontation Condemned

93AS0368D Karachi DAWN in English 9 Dec 92 p 15

[Article by Mushtaq Ahmad: "Time to Pause and Ponder"]

[Text] Political temperatures in Pakistan have an irrepressible tendency to run high even after the election-time fever has died down. The heat keeps on simmering. Only the battle front is shifted from the open space of the polling booth to the closed chamber of the parliament.

It seems that the electoral verdict has settled nothing, not even the right of the victorious party to govern or misgovern the country during its constitutionally prescribed tenure. The present tension in politics is not a sudden outburst of pent-up energies but the culmination of the process that had been under way ever since the results of the polls were announced.

The parliament had not settled down to transact its parliamentary business. From the time it was convened to this day, it has been in a state of continuous turbulence and turmoil. Clearly discernible in the conduct of its proceedings, is an impatience for power in the party that has lost the election. Implicit in its uncompromising attitude is the refusal to accept the fairness of the polls. Rigging has now become so familiar feature of our electoral process that unless we devise fool-proof ways and means of its impartiality we cannot avoid the deadlocks that have become an inalienable part of our parliamentary life.

Far from being a forum for sober discussion and dignified debates the parliament has become a battleground for a fiery exchange of the most unparliamentary language, its members hurling at each other charges and counter-charges, imputing motives leading to frequent boycotts and walk-outs by the opposition, adjournment of the session by the Speaker presumably at the instance of the government or in his own discretion.

Thin attendance and rowdy behaviour show a lack of confidence and respect for the House to which the members have been elected by their constituencies in the hope that they would fulfil the election promises and solve their problems. These do not figure in the speeches which are intended to settle old scores or make fresh revelations about their doings inside the government and outside.

Even the personality of president which should be beyond and above the din of public controversy has not been spared. Of this Mr. Ghulam Ishaq had himself a personal experience when his address at the last year's opening session was incessantly interrupted by the opposition. We witnessed what should have been a solemn occasion for deep reflection and serious deliberation, a pandemonium that was not worthy of the institution which symbolises the sovereignty of the nation.

Although parliamentary standards were never very high in Pakistan, at no time in its history they had touched such a low ebb. The event could not be summarily dismissed as a momentary eruption. It was a symptom of a disease which is eating into the vitals of the system. The development had amounted to an abdication of its function to take crucial decisions. The long march, no matter how short its duration will be, is a declaration

that the parliament is no longer the centre of decisions if it ever was. For the President to suggest that the differences and disputes between the opposition and the government should be settled on the floor of the House would have evoked a popular response, had its two sides not been virtually at loggerheads with each other.

Processions and rallies as a form of protest against policies or a method of popularising a cause, are not unknown in Western democracies. In Pakistan and India they are an inheritance from the independence movements when these were perhaps the most handy and effective weapons the people could use to force the acceptance of demands for self-government on the colonial power. While their importance had diminished, their utility had not altogether disappeared after independence.

The post-independence political climate was relatively free from their occurrence until the suspension of the democratic system and its supersession by dictatorial regimes, for whose removal the old techniques had to be revived. They came into vogue in a big way for mobilisation of public opinion during the Ayub and the Zia periods in order to bring about their downfall and pave the way for the restoration of democracy. It was, however, soon discovered that democracy was at war with itself. For, the parties that swore by its principles were not willing to put them into practice. All that mattered in the elections were the votes and not the views of the voters. These votes could be cast by men of substance or men of straw. Rigging of polls has not been an unusual phenomena; it has been a part of the game.

When the President talks about the rules of the game, it is futile to have democracy of our brand in mind where they are universally observed in the breach. With the probable exception of the general elections held in 1970, the freedom and fairness of the polls has been challenged, the onus invariably lying on the administration. The President and the people of Pakistan know how heavy a price the country had to pay for administrative interference in the conduct of the elections in 1977. It inflicted on them eleven years of dictatorial rule which has caused an irreparable dent in our body politic, in every field of national endeavour, distorting and disorganising its entire value system whose vestiges will take years, perhaps decades, to be wiped out from our economic and political life.

If Bhutto whose majority was never in doubt could do it, men of lesser calibre and smaller political stature had all the more reason to resort to unfair devices in their bid to capture state power whether they happened to be his or Zia's political heirs. Benazir argues that the parliamentary strength of her party did not reflect the popular support the PPP [Pakistan People's Party] enjoyed. With the IJI [Islami Jamhoori Ittehad] men well entrenched in power and in control of the administration and a marginal difference in the total votes polled by either party, and a wide disparity in number of members returned on

their tickets, perhaps her contention, on the face of it, was well grounded, and may be that it was altogether totally groundless.

Wherever the truth did lie, doubt is a parent of the chaotic behaviour in the parliament on whose floor it was moonshine to expect differences between the government and the opposition to be resolved. It was from the beginning a war of nerves, an arena of confrontation and not an area for conciliation. Under different circumstances the President's well-meaning advice might have produced desirable consequences; in the present context it is most unlikely to yield any fruitful results.

The Zia constitution, and that is what the Eighth Amendment is all about, has empowered the President to dissolve the Assemblies when, in his opinion, the situation warrants their dissolution. In well-established democracies that power vests in the Prime Minister if he wants to seek a vote of confidence of the people in his policies or if he forfeits the confidence of the majority in the Parliament. Since we have not yet developed that tradition it is on the President that rests the responsibility of using that discretionary power. Not being a popularly elected Head of the State his is a personal discretion, which is open to public scrutiny. His action was publicly criticised in the past and inaction can similarly be exposed to criticism in the future.

Presidential neutrality in the political crises demands an amendment of the constitution, and so does the impartiality of the administration which, in the ultimate analysis, takes its cue from the government. Even the Election Commission is subject to its control, no matter how autonomous is its character on paper. To be neutral the government has to be composed of men who have no stake in the outcome of the polls. It has to be a body of non-partisan, non-committal and completely depoliticised by men. They may be the justices of the Supreme Court and High Courts under whose surveillance the elections ought to be held. So long as a caretaker government does not take care of the elections, their validity will continue to be challenged, and so long will the parliament not act as a venue for conciliation and compromises.

We have established an unhealthy practice of the Speaker being party man whose impartiality is always suspect in the eyes of the opposition. The Parliament is divided against itself. With its presiding officer caught in the unbridgeable divide and the President erringly or unerringly identified with the ruling party, the House has ceased to be the centre and seat of the nation's political life. The shifting of the political arena from its corridors in Islamabad to the drawing rooms of the politicians in the provincial capitals and from there to the highways and railroads of the country, has added a new and dangerous dimension to the politics of confrontation. The strength of the street is an invitation to anarchy, and anarchy a prelude to dictatorship. The parliament which should be the arbiter of the nation's fate, is an ultimate

victim of both. It is time for the President, the Prime Minister and the Parliament to pause and ponder.

Government Said To Regret Existence of Free Press

93AS0368C Karachi DAWN in English 9 Dec 92 p 15

[Text] It would seem strange but the fact is that the few short spells of relative freedom that the country's Press has known so far, the government of the day has invariably had problems adjusting to the reality of a free and assertive Press. From the look of things we are passing through such an awkward phase these days. Who should receive the credit for liberating the Press in the present instance and which factors facilitated it are now academic questions. But what is certain is that those in the corridors of power today are not too comfortable with a free Press and do not know how to react to it. This explains the varying tones and intonations in the official pronouncements on the media's performance. At one stage the Prime Minister described the Press as a parliament permanently in session. On another occasion he called on the newspapers to suspend political reporting for two years and practise what he called development journalism. The other day he accused the Press of fabricating a political crisis which, according to him, existed only in newspaper pages. And now we have the Chief Minister of Sindh praising the Press for its role in strengthening democratic institutions while, at the same time, blaming it for mis-reporting.

Although the Press cannot claim to be perfect—in fact, we have to admit to many weaknesses and failings, not all of them of our own making though—it cannot be doubted that the print media in Pakistan is striving to play an independent role in informing the people about the happenings in the country and in the process of opinion formation. Quite a bit of what appears in the pages of newspapers may not be too palatable to those in the government or holding public office. The role of the media is primarily to report as objectively as possible events of public interest and serve as a channel for articulating a wide diversity of views. Additionally, through its reporting, analyses and comments it helps people form opinions on various issues.

If the government leaders feel unhappy with the Press, they must honestly look at their own record first. For instance, what appears to have upset them most in recent weeks is the coverage the PDA's [People's Democratic Alliance] long march and the official agencies' handling of it has received in the Pakistani and foreign media. But what appeared in print was what was happening and what was being said about it. The government's point of view on the issue has also received adequate projection. In fact, taken together its share has been greater, given its control of the electronic media and the Press Trust papers. There is thus no valid reason for the government to feel that its point of view has been deliberately suppressed or played down.

Regrettably, we do not have much of a tradition of tolerance of dissent. Those in authority have no stomach for criticism either. In such a situation it is not surprising that the Press often finds itself in an unenviable position. It is constantly under pressure from all sides. Worse still, the journalists in Pakistan are often subjected to harassment and intimidation to prevent them from performing their professional duties in a proper manner. In such circumstances, it should be the government's responsibility to protect the Press and mediamen against threats of violence and coercion from all quarters. It is time the government got used to the concept of plurality of opinion as the characteristic feature of a democratic polity. The Press will be neither fair nor independent if its projection policies do not conform to this fundamental principle and fails to report events honestly and objectively.

Relations Between Government, Press Examined

93AS0373A Karachi JASARAT in Urdu 12 Dec 92 p 6

[Article by Malik Iltaf Hussein: "Relations Between the Government and the Press"]

[Text] In modern times, no government, politician, or political party can succeed without the cooperation of the press. Also, the electronic media has made great progress. Network news programs like the BBC World News and CNN can show anything that happens anywhere in any corner of the world in no time. However, the small television screen on which pictures and news remain for only a few seconds cannot compete with the newspapers and magazines that stay for weeks, months, and years in libraries waiting for the readers to return. Most people receive detailed news and information from newspapers and magazines.

Modern governments survive because of propaganda in newspapers. The rise and fall of leaders depends on what is written on paper rather than on the leaders' character. The time has passed when populations were small and the leaders' style was such that they were visible to the people without photographs. The people saw their king living in the palace or at royal gatherings. They were aware of their king's integrity.

Security arrangements and tall buildings have hidden the leaders from the people now. The newspapers are the only sources that allow the people to take a look at their favorite leader. Therefore, it would not be unreasonable to say that, after destiny, press plays the most important role in the rise and fall of leaders.

Only recently, President Bush was defeated in spite of all his achievements. The U.S. press, which is strongly influenced by the Jewish lobby, started to support Clinton for its own vested interests. The TIMES and NEWSWEEK started to call Clinton Mr. President even during the elections. It was the U.S. press which forced President Bush, who was the most successful president in history, out of office and sent him crying to Camp David.

However, the press does not only control the rise or fall of leaders, it also does the fundamental work of teaching and informing the people. All progressive countries have free presses. Slavery is after all born where there is no opportunity for freedom of expression. Without this freedom, wisdom cannot flourish. Without prudence, a country cannot protect its freedom or make economic progress. The Third World countries that are struggling to grow and remain democratic show that they do not have freedom of the press.

Unfortunately, Pakistan has never recognized the importance of the press. The press was especially unfair during Mr. Bhutto's era. Mr. Bhutto was a politician, and he should have been sensitive to the press. Instead, he acted worse than dictators and imposed restrictions on more than 50 national newspapers and magazines in Pakistan. He presented editors and publishers of well-known newspapers in handcuffs in courts. That is why when the NPA [National People's Assembly] campaign against Mr. Bhutto was started, the press had no sympathy for him. When Nawaz Sharif came to power, it was expected that he would pay special attention to the press because of his platform (IJI [Islami Jamhoori Ittehad]) and the situations under which he came to power. He had the unfortunate problem from the very beginning of not having a good advisor in foreign policy or someone to deal with the press.

Sheikh Rashid was appointed minister of information in the beginning. Mr. Rashid could not win the journalists because of his emotionalism and "whims and high airs." The prime minister learned about it later, and the information portfolio was given to Abdul Sattar Lalika. Still, the prime minister did not form a strong and effective policy that could bring the press closer to him. Two years is a long time, and during this time, the prime minister and the press should have developed some kind of mutual understanding. However, during these two years no warmth has evolved between the press and the government.

The attitude of the NAWA-I-WAQT and the NATION was against Nawaz Sharif from day one. Only the involved parties know the reason for it. Later, the JANG group, which has the position of "a king without a crown" in Pakistani politics, was also targeted.

A case was registered against Maliha Lodhi, editor of THE NEWS, for publishing a poem. This was an utterly improper action since this could have been resolved by mutual talks. Why was it necessary to attack this newspaper in such an ugly manner? This exacerbated the situation even more. Later, the prime minister dropped the case; however, this uncouth action of the government shocked all the journalists, including those in the JANG group. The way Prime Minister Nawaz Sharif demonstrated his farsight and dropped the case is a welcome development.

The press should give priority to a nation's safety and security above everything else and not focus on its

friendship or support for leaders and political parties. Leaders come and go, and the interests of various parties are focused on a specific group, while the press has to act as a "railway signal" between the government and the people and should change to a red or a green light on time. If this signal is defective, the train of democracy will not remain on its tracks and there will be an accident, which would be tragic for the whole nation. It is the duty of the press to learn to make sacrifices for the sake of the people and the nation instead of complaining and criticizing. The people, and not the government, will reward it.

The following strategies are suggested for improving relations between the government and the press:

1. Prime Minister Nawaz Sharif should meet with the editors of all the important newspapers and magazines and discuss problems with them.
2. A committee composed of three person under the chairmanship of the minister of information should be established. This committee should discuss issues with the important newspaper leaders and their representatives and recommend ways to rectify various problems.
3. All restrictions on government advertisements imposed on the NEWS and the JANG should be removed immediately. All newspapers should receive their allotted quota of advertisements.
4. A comprehensive survey of all newspapers and magazines should be carried out and a meeting of their elected representatives be called in Islamabad. Government and press relations should be discussed openly in this meeting.
5. Amenities for the journalists should be increased. Special concessions must be given for travel in the country and abroad.
6. A commission should be established to protect the press from any kind of fear, enticement, or pressure. This commission would review complaints by the government and the press from time to time. Such a commission would not only focus on the problems of the press but would also take care of the complaints that the government might have about the press. This commission would play the role of an agency that would help the government and the press to understand each other.
7. A representative selected by the newspaper union should be appointed as an advisor to every state government. This representative would act as a link between the state government and the press.
8. The time for payment to newspapers and magazines should be reduced. Money should be paid within three months to smaller newspapers. In Sindh, smaller newspapers have not been paid for 22 months.
9. In order to stop the tendency of "horse trading" and blackmailing in the newspapers, no person should be

allowed to declare that he has a newspaper unless he has a regular office and employs at least three persons.

10. Concrete steps must be taken to make the information department effective so that it discharges its duties properly and does not cause unnecessary headaches for the journalists.

11. A separate commission under the chairmanship of the Islamic Doctrine Council should be established to monitor the standards of news in the newspapers and magazines to make sure what is written follows what is necessary for Pakistan's safety and is according to Pakistan's ideology. Some journalists can also be made members of this commission.

12. The people associated with the press should also show their responsibility and voluntarily take steps to show that the newspapers do not follow the desire of one person but act honestly to protect Pakistani ideology and security.

13. Responsible people in the press should form a policy to stop publishing material that is like poison to Pakistan's democracy, Islamic culture, and Eastern traditions.

14. The press should make effective plans to encourage strong defense and economic prosperity in Pakistan.

15. The press must improve the standard of its news, analyses, and information so that the people do not have to read the GUARDIAN, THE ECONOMIST, THE GULF TIMES, THE WASHINGTON POST, and other newspapers.

16. The government should announce awards for best editor, best reporter, and best columnist. This would encourage the journalists, and they would work harder, which in turn would ameliorate the journalistic standards.

17. A "National Press Club" should be established in Islamabad with all kinds of journalistic amenities available there. The government should offer a workshop every two months in this club, and minor and major journalists from all over the country should be allowed to attend these workshop on a rotating basis. This would help the journalists learn new skills.

This press club should be an important place where the prime minister and important foreign dignitaries could hold press conferences. Membership to this press club should be given to selected foreign and local journalists.

Government Claimed Rethinking Political Prisoners

93AS0369J Lahore THE NATION in English 28 Dec 92 p 8

[Editorial: "Political Prisoners"; quotation marks as published]

[Text] Of late there have been some signals of rethinking in government quarters on the issue of Asif Zardari's

continued detention. Apart from Attorney-General Aziz Munshi's favourable response to the suggestion that Asif Zardari could be detained at Bilawal House, reports of the government considering the release of all political prisoners, including Asif Zardari, have also appeared in the Press. Whether or not these reports are true, it is time for the government to act decisively to bring down the political temperature and create a climate congenial for smooth functioning of Parliamentary democracy. No matter who has been in the wrong in escalating political confrontation, there has been enough of allegation swapping and the on-going battle of words has been taken to a ridiculous proportion. While Ms Benazir Bhutto may have by now realised the folly of trying to topple the government by storming the Capital, Mian Nawaz Sharif ought to have known the limitations of exclusively relying on the use of force to deal with a political agitation. That no one has emerged as a victor in the showdown between the government and the Opposition is the consensus view among political observers. And if the current stalemate persists which, besides other unsavoury implications, is breeding uncertainty and confusion on the political scene, the government is likely to lose more in terms of credibility than the Opposition. Thus the onus of dispelling recurring speculation of 'something big in the offing' is on the ruling party which must seize the opportunity to wean away the PDA [People's Democratic Alliance] from elements which have a vested interest in disrupting the system.

Release of all political prisoners, in particular Asif Zardari, would be an appropriate gesture of goodwill towards the PDA, and if it is followed by a move to call off the politically redundant 'references exercise', there is no reason why the government and the Opposition cannot work out a modus vivendi and salvage the system from its crisis of credibility. Needless to say, if the government and the Opposition keep their communication channel open and are willing to adhere to mutually-agreed rules of the game in their contention for power, it would be the most effective safeguard against any threat to the stability of the democratic system. Let the Prime Minister outgrow the 'us or them' contention syndrome and set the ball rolling for reconciliation with the Parliamentary Opposition. It is in the interest of the government as well as the Opposition to sort out their differences on the negotiating table rather than letting 'outside forces' play the arbiter and make mileage out of the unfortunate polarisation that has the potential to destabilise the democratic order.

Squabbling Among Religious-Based Parties Analyzed

93AS0335B Karachi AMN in Urdu 1 Dec 92 p 3

[Editorial: "Each Has His Own Opinion"]

[Text] All religious-based parties want an Islamic system, and the leaders of more than a dozen have been saying

for the last 45 years that the struggle would continue until a complete Islamic system was established; but in all those years, they have not succeeded in establishing even a fourth of an Islamic system. The candidates of these religious parties continue to be elected to the assemblies, but except for indulging in rhetoric, they have done nothing to bring about an Islamic system.

As for the political parties, none of them have expressed opposition to an Islamic system, but they do nothing to establish this system nor do they cooperate with any religious party to achieve that objective. This state of affairs is very discouraging for all those people who believe that, without the establishment of a system based on the Koran and the Sunna, it is impossible for the country and the nation to save themselves from the morass of problems.

One would have to acknowledge that, whenever elections have been held, the people have refrained from expressing their confidence in any of the religious parties. The reason for this is that religious parties lack good politicians, and the views expressed by their leaders on political issues have proved unsatisfactory to the people. Moreover, the performance of the leaders of religious parties in the assemblies may not have been equal to that of the leaders of political parties, and the religious party leaders may have failed to live up to the expectations of the people, with the result that ordinary individuals regard religious leaders as lacking in political expertise.

Those who are interested in politics know that, when necessary, political parties do not hesitate to reach an understanding with their rivals, and that parties with

widely diverging views will reach political agreement overnight. But, in spite of complete agreement among religious parties over the establishment of an Islamic system, they have not succeeded in forming an alliance even once; and there is such a wide difference of views among some of the religious parties that the members of one will not agree to participate in prayers which are led by a religious scholar from another party. Such differences of belief have not been created by politicians, bureaucrats, or the army, but by the religious scholars themselves, and these differences can be removed only by them. No one can help them in this task.

The leaders of those religious parties who say that they want an Islamic system should demonstrate their belief in their own slogans by taking steps to end differences among themselves. They should show their unity by taking a stand on a single point, namely, the establishment of an Islamic system. As long as each religious party insists on its own private plan, they will not succeed in establishing an Islamic system. When they unite, the political system will change and the way will be cleared for the establishment of an Islamic system.

If political parties with differing views can unite for the sake of their own political interests, why cannot religious parties get together to establish an Islamic system? The leader of one of the religious parties will have to come forward and convene a conference in which such central religious leaders as Maulana Shah Ahmad Nurani, Maulana Fazl-ul-Rahman, Qazi Hussain Ahmad, Alama Tahir-ul-Qadri, Doctor Asrar Ahmad, Alama Musavi, and Professor Sajid Mir will be invited to participate and draw up a plan for an Islamic alliance.

Religious Front for Implementing Sharia Established

93AS0374E Karachi JANG in Urdu 16 Dec p 1

[News Report: "Joint Religious Front Established for Implementing Sharia"]

[Text] Islamabad (JANG Correspondent)—More than 40 religious organizations have decided to establish a joint front, the Joint Religious Front, to help implement Sharia in the country, start a decisive jihad against the supporters of secularism, and to rebuild Babri Masjid. Senator Maulana Sami-ul-Haq, secretary general of Jamiat-i-Ulema-i-Islam (JUI), will convene the new front. A 100-member supreme council composed of members of all involved organizations has been established until a permanent organizational structure is decided upon. The Joint Religious Front has decided to hold conventions in Lahore, Karachi, Peshawar, Quetta, Multan, Faisalabad, Sakkhar, and other cities. The general convener of the organization, Maulana Sami-ul-Haq, announced this decision in the all religious parties convention on Tuesday. He declared in his welcome address, "The IJI government is using the assistance of groups that spread religious, regional, ethnic, and racial prejudice to popularize secularism. The government and the opposition are involved in the struggle for power, and neither is concerned about Islam's well-being. The attitude of both groups is harmful and has sabotaged the great cause to implement Sharia. We should unite and start the crusade for implementing Sharia." Senator Raja Mohammad Zaffara-ul-Haq said, "There is an organized effort to crush the Muslims in the whole world. The Jews have been trying for a long time to move their capital from Tel Aviv to Jerusalem. Had we put pressure on India earlier, the Babri Masjid disaster would not have happened. May Allah give guidance to Muslim nations so that they use the weapon of curtailing oil supply to India for a few days. The human rights advocates in Pakistan should raise their

voices against violation of human rights in Kashmir." Well-known intellectual Z.A. Sulehri said the temples were destroyed under the supervision of our cabinet ministers, and our opposition has become just like India. The real issue is of leadership. It is in their nature to raise cash and fill their pockets. The Babri Masjid incident has proved that the two-nations theory is still valid. He asserted that as long as Nawaz Sharif remains in power, this [mosque] will not be built. "We had supported him against Benazir Bhutto because we thought that he was our own person and would not make mistakes. However, I was wrong." Maulana Abdul Rehman Salqi, central leader of the Jamiat-i Ghurba-i Al Hadias, said in his speech, "We are ready to make any kind of sacrifice to implement Sharia. We should increase pressure on the government. Islam does not support democracy, and all the problems in our country are caused by this democracy. The pride and respect of Muslims has been damaged by the destruction of Babri Masjid. We should be ready for jihad." Maulana Manzur Ahmed Chaniuti Ghichki, chief of JUL JUI [Jamiat-i-Ulema-i-Islam] (Fazhur Rahman Group), said that India has challenged the self-respect of the Islamic world by destroying Babri Masjid. All religious organizations must gather on one platform. We do not want to become the victim of a coalition. Maulana Abdul-ul-Malik, chief of Jamat-i Islami Ittehad-i-Ulema, said that whenever we talk about implementing Sharia, we are accused of "mullaism" and fundamentalism. The present government cannot stop atrocities being committed on the Muslims in Kashmir and Bosnia. Distinguished journalist Mujibur Rehman Shami said that the government is not fulfilling its promises and the opposition is demanding termination of Sharia courts. Nawaz Sharif is taking advantage of the circumstance that his opposition is composed of supporters of secularism. However, we do not want to bear the sin of electing Benazir just to show our opposition to Nawaz Sharif. We must lay the foundation of a new government and start a campaign to rebuild Babri Masjid. We must give a call for a long march to Ayodhya.

Increase in Trade Deficit Said Reaching Dangerous Levels

93AS0334B Karachi JANG in Urdu 26 Nov 92 p 3

[Editorial: "Alarming Increase in Trade Deficit"]

[Text] According to the federal ministry of trade's latest statistics, Pakistan's trade deficit for the first three months of the current year has exceeded 21 billion 500 million rupees and, if the deficit should continue at the present rate, it will exceed 70 billion rupees by the end of the year. Pakistan has never had a favorable balance of trade with foreign countries, and the deficit has existed not only in trade with developed countries but frequently with certain developing countries as well. Over the last few years, the trade deficit has led the list of continuous shocks suffered by the Pakistan economy. The trade deficit is largely due to the stagnation of investment in the country; the growing competition in world markets; the lack of interest shown by Pakistani industrialists and exporters in gaining a foothold in world markets; the government's unduly generous import policy; and the protectionist restrictions on trade imposed by certain progressive countries. The prospect of new markets opening up in Central Asia appears to be dwindling because of the lack of interest and neglect by the government and export merchants. Our political instability is adding to the trade deficit. All these factors may be creating a trade deficit, but the fact remains that, in order to end the crisis in the national economy and boost the country's industrial output, the first priority must be given to increasing exports. At the same time, the reprehensible practice of smuggling should be stopped because it fills our markets with foreign products with which our domestic products are unable to compete. Industrialists should raise the standard of domestic products and reduce production costs. It is the responsibility of the government to alleviate the complaints of export merchants. Recently, productive talks were held with China to reduce the trade deficit, and the expectation is that these talks will increase the export of Pakistani manufactured articles to China. However, Pakistan should pay greater attention to promoting trade relations with Central Asia, the Middle East, and Africa, with a view to controlling the escalating trade deficit.

Joint Shipping Company With Iran Announced

93AS0368F Karachi DAWN in English 15 Dec 92 p 9

[Text] Tehran, Dec 14—Pakistan and Iran will set up a joint shipping company and Pakistan Telecommunications Corporation will establish 60 additional international channels to expand telecommunications links with Iran. The project of the gigantic Economic Cooperation Organisation (ECO) highway will promote communication ties among the ECO countries. Iran will give two ships to the Pakistan National Shipping Corporation.

These decisions were made in the final session of the Pakistan-Iran joint ministerial commission on communications meeting. Experts of the two countries

exchanged views regarding development of communications technology. Mr. Mohammad Azam Khan Hoti, Minister of State for Communications, the leader of Pakistani Delegation presided over the meeting while the Minister of Communications and Transport of Iran, Mr. Sidikiya, led the Iranian side. Representatives of the communications ministries of Pakistan and Iran were also present in the meeting.

Addressing the meeting, the Iranian Minister for Communications and Transport, Mr. Sidikiya, termed the session of Pak-Iran joint ministerial commission on communications as a historical one. Experts of the two countries held detailed negotiations and made momentous decisions that will exercise far reaching effects on the countries concerned. He said the friendship between Pakistan and Iran, two brotherly countries, was an ideal and living example for the rest of the world.

He said it was a matter of great pleasure that the Prime Minister of Pakistan, Mr. Muhammad Nawaz Sharif, is taking keen interest to promote communication links. The development in this field will pave the way for economic progress and prosperity of the two countries.

In his presidential address Mr. Mohammad Azam Khan Hoti thanked the Iranian Government for the hospitality extended to his delegation. He said both the countries shared common history, religion, culture and literature which extends over centuries and both the heads of states are keen to have firm relations. During the present session, the developments of national highways, telecommunications postal services and shipping sectors were reviewed comprehensively and areas of mutual cooperation were explored, he said.—PPI

Uzbek cotton Imports Said Increasing

93AS0374A Karachi JASARAT in Urdu 4 dec 92 p 3

[News Report: "Uzbek Cotton in Karachi"]

[Text] Karachi (Staff Reporter)—Cotton from the Central Asian Republic of Uzbekistan has started to arrive in Karachi. Two Karachi traders have purchased Uzbek cotton at 23 cents per pound, and this cotton has been sent to Karachi from Rotterdam port. As the result, the cost in Karachi will be between 72 and 79 cents per pound. The local cotton traders are trying to bring cotton via Iran now. This way, the price of cotton in Karachi will be about 50 cents per pound. According to traders, if the Uzbek cotton is brought via Afghanistan, the cost in Karachi will be only 35 to 40 cents per pound. They said that if Golboddin Hekmatyar provides the Jalalabad route to the traders, trade between Central Asian republics and Pakistan will increase rapidly. This will help not only Pakistan but also the Central Asian republics. It should be known that Uzbekistan grows one and one-half time more cotton than does Pakistan.

Economic Reforms Said Impeded by Indiscipline*93AS0369A Karachi BUSINESS RECORDER
in English 16 Dec 92 p 2*

[Editorial: "Monetary Indiscipline Impedes Economic Reforms"]

[Text] Pakistan's economy is currently suffering from a plague of monetary expansion and voluminous credit unrelated to production and economic growth. The Government of the country which is expected to be the guardian of discipline in all sectors of national life, has like other previous governments, itself been guilty of fiscal indiscipline to such an extent that annual credit plan which provided for expansion of Rs [Rupees] 50.8 billion during the current fiscal year has reached the figure of Rs. 64.8 billion from July to the end of November 1992 and for the budgetary support alone it has borrowed Rs. 42 billion against the limit of Rs. 25 billion. This indiscipline, not unsurprisingly, trickled down to the private sector where its borrowing between the period 1st July 1992 to the end of November reached the figure of Rs. 29.55 billion as against the targeted expansion of Rs. 26.8 billion for the whole year. The unfortunate fact is that the Government does not seem to realize that its lavish spending is bound to endanger the success of the very commendable economic reforms initiated by her.

The fact of our national life is that we are confronted with very complicated problems of striking a balance between the necessary measures between revenue receipts and expenditure, borrowings and investment in the productive sector, correcting balance of payments imbalances, control inflation and simultaneously stimulate investment to satisfy increasing needs of our rapidly growing population. Now the question arises: Who can tackle this problem and how can it be solved? No democratically elected Government can, particularly in a country like ours, where democracy is still in its infancy, be honestly expected to maintain strict fiscal and monetary discipline necessary for a stable and developing country. But, remedies are available and examples exist where such countries which had been totally devastated by world wars have become economic giants through the adoption of those remedies. The first step in this direction is the founding of a totally independent central bank which would encounter no interference in its monetary, credit and interest policies and keep a limit on the borrowings of the central and provincial governments from this central institution. Unfortunately our State Bank of Pakistan is not that independent. There is no limit on the borrowings of various governments in the country. It has no monetary independence and its impotence in this direction can be gauged from the fact that at the end of June 1991, 105,663 million rupees worth of Bearer Bonds were in circulation like other bearer bonds known as currency notes. These were circulated or sanctioned by the Governments in power from time to time without the permission of the State Bank of Pakistan.

In the background of this history, it is not surprising that the banks should get perturbed at the State Bank of Pakistan taking courage to order the scheduled banks that they maintain a liquidity ratio of 45 percent with effect from December 19, 1992, an increase of just five percent. This increase in the liquidity requirements from 40 percent to 45 percent will keep just about Rs. 20 billion out of circulation. We are happy that the State Bank of Pakistan took this visible step in monetary management. But will the bank also have the courage to refuse the Governments in the country any credit till such time as they repay at least fifty percent of what they borrowed from the bank thus far. Secondly, is it not time that the bank should demand from the Government that it should forsake its authority to issue or allow the issue of bearer bonds which become part of money in circulation and have considerable impact or increase in inflation.

And, if the Government is really serious in guiding the country towards economic self-reliance, it has to abide by the prescription followed by the countries which have gained economic strength after total ruination: (1) The State Bank of the country should have total independence; (2) it should make all efforts to keep its expenditure within income; (3) do everything to maintain a prudently managed balance of payment with foreign countries; (4) borrow, only for investment purposes and (5) avoid taking any decision in the economic field for political returns.

Nawaz Sharif Government has taken certain steps in the economic sphere which have been lauded by countries abroad and have also been followed by other developing countries and these reforms can certainly take Pakistan towards self-reliance only if he now gets the courage to amend the State Bank Act and make it totally and absolutely independent just as the Bundesbank in Germany or the Federal Reserve of the United States.

Double Digit Inflation Forecast*93AS0369B Karachi BUSINESS RECORDER
in English 12 Dec 92 p 1*

[Text] Karachi, Dec. 11—Country's monetary authorities have reportedly warned the Government to expect double digit inflation during the current fiscal year because of the unprecedented domestic credit expansion. After the removal of credit ceiling upon banks, under open market operations, private sector is believed to have borrowed excessively, in fact 400 percent more than is normal for the first quarter of the fiscal year.

Besides the private sector, the government itself has also utilized more than double its allocation in the credit plan for budgetary support, in the first five months of the current financial year.

BUSINESS RECORDER understands that net domestic credit expansion up to end November was a record Rs [Rupees] 65 billion, as against Rs. 50.8 billion projected for the full year. Government has already utilized Rs. 42

billion for budgetary support as against Rs. 21 billion provided in the credit plan. And to the utter shock of the State Bank of Pakistan, the non-government sector, i.e., the private sector has utilized over Rs. 30 billion already as against Rs. 27.8 billion provided in the plan for the full financial year.

The Federal Government has been notified by the State Bank of Pakistan that the net domestic credit has already expanded by a record 12.77 percent up to end November as against full year projection of 9.97 percent laid down in the Credit Plan for 1992-93, it is reliably learnt.

While finalizing the credit plan for 1992-93, the monetary planners had clearly pointed out that due to the large monetary expansion during the last two years and the consequent building of price pressure, the safe level of monetary expansion for 1992-93 should be 10.5 percent which works out to Rs. 47.5 billion at the estimated outstanding level of Rs. 451.9 billion of monetary assets as at end June 1992.

After allowing for an estimated fall of Rs. 3.4 billion in net foreign assets of the banking system, domestic credit expansion of Rs. 50.8 billion or 9.97 percent was determined to be a safe level by the monetary authorities.

During the last four years there has been excessive credit expansion. All along, the monetary agency has been pointing to large government borrowing as a major source for this credit expansion. During the four years, however, due to credit ceiling for private sector in place—until end of June this year—private sector borrowing was not only kept within established limits but also curtailed sometimes to keep the overall monetary expansion in check.

This year with credit ceiling removed and credit deposit ratio of 30:70 on rupee deposits and 40:60 on foreign currency deposits, private sector lending has been reported at unprecedented levels in the figures submitted by the banks to the authorities.

As against Rs. 6 billion during July-November last year, and estimates of Rs. 7.5 billion for the current fiscal year, the private sector has already utilized around Rs. 30 billion. The credit plan had projected a net increase in credit to private sector at Rs. 27.8 billion for the full year. In fiscal 1991-92 it was Rs. 25 billion.

The government has been warned reportedly in unequivocal terms that all three variables, namely: Prices, balance of payment and rupee exchange rate are under pressure and the monetary financial instability is building up to a danger point.

The decision to squeeze availability of credit has been debated upon at length in Islamabad. SBP's [expansion not given] weekly reports believed to have been sounding their warning belts to the government for over a year.

It has been pointed out that keeping rupee parity at this level with such high inflation would be suicidal for the economy. Keeping government expenditure in check in

absence of a proper legislative cap is just not possible. Central Banks can only caution, warn and readjust monetary policy. But fiscal policy and discipline is not in their domain. Only the political will and bureaucratic discipline can overcome this problem.

Reduction of Fiscal Deficit Seen Paramount Issue

93AS0314F Karachi DAWN in English 26 Nov 92 p 11

[Article by Sultan Ahmed: "Reducing the Fiscal Deficit"]

[Text] The rising budgetary deficit of Pakistan was the main concern for the President of the World Bank when he met Prime Minister Nawaz Sharif earlier this month in Islamabad.

If Mr. Lewis Preston fears that the rising budgetary deficit, which shot up to 8.6 percent of the GDP [Gross Domestic Product] in 1988, then dropped and rose to 7.3 percent last year, will disrupt all other achievements of the government and neutralise its economic reforms ultimately, he is not wrong.

The Prime Minister hence assured the chief of the World Bank, which sponsors the key annual Aid-to-Pakistan Consortium meeting in Paris before the budget, that he would do everything possible to reduce the large deficit to stand qualified for its continuing support.

And that is to be achieved, he says, by reforming the taxation system and improving the efficiency of the resource use of official spending. But that is easier said than done even on a gradual basis. All governments had promised the same since the deficit began rising and development took a back seat after defence and debt servicing but were not able to achieve much.

If the deficit went down after it touched a peak of 8.6 percent in 1988, it shot up again the next year. And thanks to the floods and fall in imports, the deficit which was to be 5.5 percent in the current financial year (after the development budget was slashed) may rise to 6.5 percent. And if the law and order budget of the Centre and the provinces are again burst by the political unrest, the deficit can ultimately be far larger.

But can the tax revenues really increase this year? Surely after the 27 percent rise in tax revenues last year—from Rs [Rupees] 112 billion to Rs 142 billion as mentioned by the finance minister—there is no scope for another leap in tax collection without putting the economy in reverse gear. Hence Mr. Sartaj Aziz expects total revenue to form only 19.1 percent of the GDP this year compared to 19.7 percent last year. He, however, expects the tax revenues to rise to 14.7 percent of the GDP, compared to 13.9 percent last year, and the floods' adverse impact on revenues to touch the figure of Rs 8.5 billion—from the estimated Rs 173.5 billion to Rs 165 billion. The overall adverse impact on the budget, including additional

spending for rehabilitation in the flood-ravaged areas which comes to Rs 21 billion dollars has thrown the budget out of gear.

When the government talks of the low tax revenues in Pakistan—14.7 percent of the GDP—it excludes the provincial and municipal taxes which are no longer mild. In modern countries the three taxes are taken together. And much of the non-tax revenues in Pakistan is also more like income from taxation because of the heavy levies as on telephones.

In a country with a large population and a large number of dependents on each earning member, and where women are not productively employed, much of the tax revenues cannot be high in relation to the GDP.

If the taxation rate in Denmark, Sweden and the Scandinavian countries as a whole is high, and it is in the middle range in the United States, it is because there is hardly any population growth in those countries. The earning members in a family are more and the dependents are less. The reverse is the case in Pakistan.

Besides, taxpayers in those countries get a great deal in return for the taxes, including social security, quality education, and medical service. In Pakistan after paying the heavy direct tax and heavier indirect tax as well as Zakat, which can take away a large slice of the incomes from deposits in banks or investment on shares, many have to install their own generators for power, buy the water expensively, arrange for one's own security guards and pay heavily for education of their children in private schools.

Secondly, while the bulk of the taxation—85 percent—comes as indirect taxes, a large part of that falls on industry which is being squeezed more and more. In addition to the normal methods of taxation, new modes are being introduced now, including advance tax, withholding tax, presumptive tax and turnover tax in a pretty crude manner.

At the same time exports on which so much emphasis is being laid now, are largely exempt from taxation. In fact they are given heavy duty-drawback, at times more than the taxes they had paid, which ends up in major scandals. And, of course, large agricultural incomes are exempt from income tax only because the big landowners form the government, sit in assemblies and are senior officers as well.

In addition, there are about 280 tax exemptions as they are used to promote investment, increase exports, and assist various charities and other good causes. When the tax exemptions are the principal tool for promoting economic growth, while the rulers as landlords will not pay taxes, the tax revenues have to be small, particularly as a share of the GDP in a highly inflationary economy.

On the other side, the current expenditure of the government is so large that the gap between total revenue and total expenditure is too wide. In the three years from

1988-89 to 1990-91 the gaps were as large as 8 percent, 7.3 percent and 8.8 percent of the GDP, according to the figures released by Finance Minister early this month. The position improved last year to a gap of 6.2 percent between revenues and expenditure because of 27 percent increase in tax collection, and it was to shrink to 4.7 percent of the GDP this year but because of the floods and other adverse factors, including the political and law and order, the gap will be far larger, at least one percent of the GDP more.

While the budgetary gap stares us in the face so alarmingly, positive steps are not being taken to cut down the expenditure or eliminate the needless spending. The cabinet at the Centre and in the provinces are unduly large and their spending on travel and other activities is very high. Numerous purposeless conferences and seminars continue to be held as a matter of routine. And the President and the ministers and governors turn up at a heavy cost to the poor public at too many weddings all over the country. No concession whatsoever has been made for the losses the state caused by the floods or other demands for utmost economy in public expenditure of the non-development kind.

Look at the outrageous financial scandals produced by the various public sector enterprises and autonomous bodies. While enterprises like Pakistan Steel and PIA [Pakistan International Airlines], and autonomous bodies like KESC [Karachi Electric Supply Corporation] and KDA [Karachi Development Authority] have more than double the number of employees they need, they have very large overtime bills and their medical bills are staggering.

The Managing Director of KESC, Mr. Mazhar Hussain, said recently that while his take home pay was Rs 11,000 an average worker of KESC took home a fatter pay packet because of overtime. He complained that while the medical bills last year claimed Rs 70 million, it will be far more this year.

While the KESC has a staff of 13,000, KDA has a staff of 8,500. The latter's medical bill has touched Rs 100 million and was to cross Rs 120 million until at last the clearly criminal practices of inflating medical bills by Rs 40 million were uncovered. And if the medical bills of PIA and the Pakistan Steel are scrutinised, larger scandals may come up.

All in all the government has admitted its failure and surrendered to the tax evaders by increasing its "no questions asked" financial sector. Industrial investment and foreign exchange deposits and certificates come under this category. But then the rulers who do not want to pay income tax on their large agricultural incomes cannot compel other influential persons to pay taxes, particularly when the return for taxes paid is too small.

Therefore, while heavy taxation in every area has to be reduced gradually, tax evasion has to be checked and tax collection increased. And that calls for keeping a check on the pervasive corruption in the taxation services.

The efforts should now be to devise a more rational and equitable tax structure and cleanse the heavily infected taxation services, beginning with the customs. If instead those who are taxed continue to be taxed more and more, the result will be counter-productive.

Indisputably heavy taxation goes hand in hand with heavy evasion. And in an environment of persisting high inflation taxation officers will indulge in corruption in a big way, particularly when the socio-political order is corrupt, and the prevailing feudal order promotes high living and conspicuous consumption.

All this calls for tremendous political will. But then those who want to mobilise more tax revenues will have to set a good example by themselves by paying tax on their large agricultural incomes and not keep themselves above the law.

The lasting means to increasing the tax revenues and reducing the fiscal deficit is through rapid economic growth. Mr. Sartaj Aziz would love a 12 percent growth, he says, instead of the six percent we have. But the 8th five-year plan has a seven percent growth target, while the Asian Development Bank forecasts the average economic growth in Asian countries this year to be 7.1 percent compared to 5.8 percent last year.

The World Bank chief says the 6 percent growth of the early 1980s had now given way to lower growth in Pakistan. Between 1988 and 1991 the GDP growth was only 4.81 percent, 4.67 percent and 5.59 percent. Last year the growth was 6.38 percent, and this year's earlier growth target at 6.2 percent may not now be more than 5.4 percent. It is towards reversing this process that we have to strive and strive relentlessly in a more propitious political climate, and with far less profligate official spending and criminal waste.

Fall in Remittances From Overseas Nationals Viewed

BK2212101292 Peshawar *THE FRONTIER POST* in English 22 Dec 92 p 10

[Editorial: "Towards the Post-Remittances Age?"; quotation marks as published]

[Text] Remittances from overseas Pakistanis have come down half the mark of the peak year, 1982-83, to \$1.4 billion in 1991-92. They have been decreasing at the rate of five to ten percent annually after reaching a climax of 2.8 billion dollars in early 80s. In the aftermath of the Gulf war and due to the continuing oil-glut the latest decline is, however, about 20 percent over the last year. The exogenous factor of remittances became the prime source of foreign exchange earning and economic stability soon after the emergence of the petro-dollar, which gave birth to extensive construction works in the Middle East. It led to a phenomenal increase in the export of Pakistani labour, mostly semi-skilled and unskilled, to the oil-rich countries. The Middle East boom persisted from 1975 to 1985. It was estimated then that the

remittances would gradually decrease over the period of a decade. In the last 15 years, the remittances factor has made a tremendous impact on overall economy and society at large. Pressures on balance of payments and on current account were earned by the Pakistani workers abroad. More than that, the remittances not only helped maintain the GDP [gross domestic product] growth rate around six percent over the years, but also brought a rapid change in our society. While they encouraged the construction industry, small-scale industry and consumer industry on an unprecedented scale, they have been instrumental in transforming the social values and consumption patterns of a larger section of society. The 'demonstrative effect' was even more phenomenal, which made consumerism the sine qua non of our everyday life.

What is quite interesting to note is that while the remittances from the Middle East have come down to \$985.03 million, the share in remittances from the West and North America has become more than half, that is \$482.39 million. It shows that the source of remittances from the West is going to be more reliable, given the permanence of overseas workers there. The overall trend, however, reflects that the source of remittances will cease to exist as a major factor of economic viability. Despite unanimity in projections regarding the drying out of the remittances, the successive governments did not take alternative measures to fill in the expected void. The reliance of the economy on this exogenous factor should have been reduced by expanding endogenous dynamic industrial opportunities. Most of the earnings from the remittances have gone into consumption and tertiary sectors. And we have become vulnerable to the increasing crunch of balance of payments and unemployment. The living standards achieved during the boom period will be hard to maintain. Given the diminishing capacity for job generation, the economy should have been diverted to labour-intensive techniques. And value-added exports should have been given top priority to meet the requirements of earning foreign exchange in an increasingly competitive world market. Pakistan cannot afford further neglect in all these spheres in the post-remittances phase of our economy.

Retired Brigadier Urges Economic, Not Nuclear Development

93AS0369F Lahore *THE NATION* in English 31 Dec 92 p 10

[Article by Rashed H. Lodi: "Let Us Be Done With the Bomb"]

[Text] There has been a spate of articles, comments and rejoinders in the Press on Pakistan's nuclear options, and on whether or not it should sign the NPT [Nonproliferation Treaty] and get out of the nuclear logjam that it has willy-nilly got into in the first place. While the doves express serious doubts on the credibility of our nuclear deterrence, and plead for an unilateral renunciation of our nuclear options, the hawks would rather

have us forego foreign aid than dismantle our nuclear programme which, according to their perception of the South Asian security environment, assures for us the barest minimum of strategic parity with India, and deters her from launching an all-out assault on us. Both these schools build their arguments around the deterrent value of the bomb, but draw entirely different conclusions from it.

Deterrence being a matter of perception, regardless of how we see it, we cannot make India believe that we will employ our atomic arsenal in the event of a dire military necessity, because of our vulnerability to India's retaliatory strikes. India on the other hand, being many times stronger than Pakistan in conventional military strength, has no real need to employ tactical or long range nuclear weapons against us, even if we had no nuclear capability. Thus if we cannot use our nuclear weapons for fear of quick and massive reprisals, and India has no reason to use hers, why we should persist in developing an ineffectual programme, at an unacceptable cost to our economy and at the risk of international ostracism, defies logic. Regardless of other considerations involved, we can ill-afford an indefinite cessation of aid under the Pressler Amendment in return for the luxury of a rudimentary nuclear strike capability, and must rescind it.

We tend to forget that the international community exacts a terrible price from an irresponsible and maverick state, as it perceives it. Are we prepared to pay that price for the sake of a capability which we may never use? One can continue to blame America for the unfairness of it all, but would that solve our problems? In fact it will only confound them. There is a time for everything: there was a time when we could have walked off with our bomb. But in the radically altered world of today, we have been effectively marginalised. And there is nothing that we can do about it, but wait and build ourselves up, brick by brick, to come back to reclaim our rightful place in the comity of nations. Atomic deterrence per se has lost its *raison d'être* in the vastly altered international polarity. Atomic power today is an anachronism in a world wary of rabble rousers and latter day military adventurists. We can ill-afford to get caught in this time warp and will be well-served in making a clean breast of our nuclear capability, before it is too late.

Only a few years ago, a regional nuclear contest could have escalated into a worldwide flare-up; not any longer. Having been stripped of its dominant role, Russia needs respite to resuscitate, and along with the United States, would do everything in its power to contain a regional conflict that threatens its repose. Apart from South Asia, there are no other nuclear flash points elsewhere in the world that threaten world peace: China is not interested in nuclear rearmament now that Russia has ceased to be a threat; Israel can keep its bombs in cotton wool for all it cares, because Arabs are in no position to challenge its overwhelming military superiority any time soon. That leaves India and Pakistan: both caught in a headlong rush to blast each other out of existence and let the devil take the hind-most. It is time that both of us took a pause

to seriously ponder over the consequences of our actions. Both the states, living on the edge of sanity, squalor and misery need to address themselves to the urgent problems that confront them; the nuclear race is not one of them.

It is a perversity of logic that while our governments continue to profess the innocence of their nuclear programmes, they refuse to open them up to international inspection. The United States is not about to condone Pakistan's nuclear ambitions; on the contrary it is already pulling out all the stops to bring it in line. It is inconceivable that a country that looks up to the United States for even its domestic policy props, can long resist that pressure. Surely the United States—a long-time friend—would offer some sort of safeguards against Indian belligerency of the nuclear kind, if it insists on dismantling our nuclear capability. Which is better: a credible guarantee from the only superpower or hundreds of millions of dollars of investment in a programme which may yet come to nothing? On top of that, can we, in our existing economic state, withstand a wholesale embargo on aid and trade which is bound to follow in the wake of our ambivalence? Long dependent on aid—even commodity aid—we would be virtually squeezed out of a viable existence, brave words of our leaders notwithstanding. India will be forced to follow in our footsteps; let there be no misgiving on that score. It too cannot resist pressure.

We must understand that we need respite from the crushing burden of defence which is increasing by the day, to better the lot of the man-in-the-street whom we are trying so bravely to defend from foreign aggression, little realising that he really has nothing worth defending. It is only a few isolated islands of power and wealth that need to be protected—not from India, not even from the hated Jews—but from the very same man-in-the-street. And these cannot be defended by force of arms, much less by nuclear arms: economic development alone will ensure that these islands survive and expand into one big land of opportunity, social justice and hope. When this happens, the need for war disappears like the rabbit from the juggler's hat. In the two generations following World War II, Japan and Germany spent on an average 0.5 per cent of their GDP [Gross Domestic Product] on defence, while relying entirely on the United States for their defence. If it did not hurt their pride or sensibilities to lose a bit of their sovereignty in return for the American nuclear umbrella, why should it hurt ours? In that time they built their war-ravished countries from scratch so that today they are the second and third largest economies in the world—Japan's being a very close second to the United States's. In the process Germans achieved reunification without firing a shot and Japan is on the verge of getting back her islands occupied by the erstwhile U.S.S.R. towards the closing stages of World War II. If there is a lesson to be had from these fateful years, it is that: scrap the bomb and build bridges to the outside world; that alone will ensure our safety and well-being.

While one certainly does not advocate our continuance as a vassal state on Indian sufferance, prudence and reason demand that we reassess our requirements taking every objective factor into consideration, to evolve a strategy of deterrence which does not depend on a Doomsday scenario. Indeed nothing makes so much for more credible deterrence than an economic breakthrough of the order of the Asian Tigers, a truly democratic dispensation to raise our people's stakes in the defence of the homeland, an appreciable investment in our human resources rather than defence, a visible improvement in our human rights track record, and an open society built on mutual respect, tolerance and forbearance. Given the will, vitality and resourcefulness of our people, all this, seemingly a daunting task, would not be hard to achieve, provided our decision-makers pick up the courage to see through the nuclear fog, to reorder their economic, social and defence priorities. Our people, who have lived through a long nightmare of fear, wars, deprivations and oppression in the 45 odd years of our existence as a sovereign state, deserve better—not an oft-promised apocalypse now, but a future that holds a true promise of a new deal.

Performance of Economy Said Mixed

93AS0369E Lahore *THE NATION* in English
31 Dec 92 p 11

[Text] Karachi—Pakistan's economy showed a mixed performance with disparate developments in various macro economic indicators during 1991-92.

The most significant achievements during the year were an acceleration in the rate of economic growth and a reduction in the rate of inflation, according to the State Bank of Pakistan's annual report for fiscal 1991-92 released in Karachi on Wednesday.

The growth rate of GDP [Gross Domestic Product] was estimated at 6.4 percent during the year (as compared with 5.6 percent a year earlier). Both the commodity producing and services sectors contributed to the growth rate of GDP.

In price pressures which had accentuated in 1990-91 eased during 1991-92. The 12-month average of the consumer price index (1980-81=100) increased at a slower rate of 9.6 percent during 1991-92 as compared to an increase of 12.7 percent in 1990-91.

Viewed in the backdrop of world economic recession and compared to non-fuel exporting countries, both the growth and price performance appeared to be impressive.

The country's foreign exchange reserve position also improved significantly and reserves held by the State Bank increased from \$582.9 million at the end of 1990-91, to \$1011.5 million at the end of 1991-92, the report said.

However, the fiscal position of the government continued to remain weak, necessitating substantial borrowing from the banking system which in turn contributed to excessive rate of monetary expansion.

Budgetary deficit at 7.8 percent of GDP in 1991-92 although lower than in 1990-91 remained at a high-level and led to net borrowing of Rs 72.5 billion for budgetary support as compared with Rs 43.2 billion last year.

This, in combination with increase in credit to private sector, led to an expansion in net domestic assets by 24.9 percent and monetary assets (Mz) by 20.6 percent compared with 17.8 percent and 17.9 percent in the preceding year.

The country reserve position improved substantially, largely as a sequel to a rise in the level of foreign currency accounts despite 12.1 percent expansion in exports and significant improvement in terms of trade the current account balance deteriorated from \$1.68 billion to \$2.1 billion in 1991-92.

This was mainly on services account and particularly due to a mark reduction in the flow of workers remittances part of which switched over to foreign currency accounts. To the extent of this switch over, the deficit was more statistical than an effective change. The imbalance between savings and investment worsened significantly, the report said.

While total investment in the economy grew almost at the same rate as last year with a considerably enhanced share of private sectors. A visible declaration in the growth rate of national savings led to a considerably enhanced inflow of external resources.

According to the report, while aggregate domestic demand expanded considerably as reflected in the size of fiscal deficit, rate of monetary expansion and high-level of consumption, the supply response of the economy was quite favourable. A 6.8 percent growth in commodity producing sectors and 5.9 percent growth in services sectors contributed to a 6.4 percent growth in GDP.

Although aggregate consumption rose sharply, a great bulk of it was met from domestic production as imports of consumer goods marginally declined and those of raw materials for consumer goods increased only by 5 percent. During the year, the brunt of meeting the demand for capital goods was largely borne by the foreign sector.

An impressive growth rate of GDP such as recorded by Pakistan economy in the past several years has not made a proportionate dent on unemployment due to a high rate of increase in labour force. The problem of disguised unemployment is also acute because of rapid population growth.

Recently announced self-employment programme and reshaped rural industrialisation programme may address

the employment issue in selected segments of the population; however, the problem is acute in the case of unorganised labour and needs a broad based policy change, the report noted.

The deficit on current account (including official unrequited transfers) stood at \$2.152 billion (5.0 percent of GNP) compared with \$1.567 billion a year earlier (3.7 percent of GNP). The deterioration was on services account and because of decline in unrequited transfers.

To the extent that home remittances were switched over to foreign currency accounts, the deterioration in current account is statistical in nature, however, even assuming no decline in home remittances from 1990-91 level, the level of current account deficit is not sustainable.

During 1991-92, capital market remained very active, it responded positively to economic reform measures particularly to liberalisation of the foreign sectors, the number of new financial entities, like moderabbas, leasing companies, investment banks and commercial banks in private sector, almost doubled during the year.

Development Finance Institutions (DFIs) continued their resources mobilisation efforts, however, deposits mobilised by them during 1991-92 were lower than last year sanctions and disbursements of terms loans by the DFIs which declined in 1990-91, increased during the year. Finance provided by commercial banks for purpose of fixed investment also increased during the year.

During 1991-92 excess of current expenditure over total revenue was Rs 9.8 billion, reduced from Rs 31.8 billion a year earlier. This is healthy development the report said.

Notwithstanding, a high growth rate and some reduction in inflation rate during 1991-92, the basic imbalances preresisted in the economy a high-level of fiscal deficit continues to be the central concern for managers of Pakistan economy. Failure to reduce fiscal deficit in the years ahead to a more manageable level, could, through various linkages, put further pressures on balance of payments, price expectations as well as on exchange rate with bearing on capital formation and financial stability. Unusually large expansion in liquidity in recent years has contributed to underlying inflationary potentials.

Growth rate of 6 percent in years ahead assumes that development of social and physical infrastructure that has suffered deterioration in the past will receive a relatively higher priority and will promote growth in a longer period.

Given Pakistan resources position, a trade off between immediate growth and investment in social and physical infrastructure cannot be avoided.

The report said, finally it is encouraging to know that Government of Pakistan is taking active interest in problems relating to improvement of environment, cabinet has approved National Conservation Strategy as

Pakistan environmental plan and a cabinet implementation committee assigned task of overseeing implementation on policies.

Factors Leading to Defense Budget Freeze Examined

*BK1612121192 Islamabad THE NATION in English
16 Dec 92 p 6*

[Editorial: "Defence Freeze"]

[Text] Government's reported decision to freeze the defence budget at its present level could have been prompted by many factors, including pressure from the aid donor, but it would seem to reflect the perception that there is no immediate threat to Pakistan's security. And if this freeze is to continue for the next three years, as the report says, then this perception would also imply that the threat, if any, has receded. The government may be right but the Indian Defence Minister's recent statement about his intention to make Pakistan's future generation pay for whatever Pakistan does, the fierceness of the slaughter of the Kashmiri Muslims and concentration of troops on Pakistan's borders, are sending a different signal. On the other hand, of course, it may be the considered view of our policy makers that our defence preparedness is at a level where any threat to our security can adequately be met without placing further strain on the economy. It is hoped that the latter is the case rather than the former because the state of the economy being what it is. It badly needs a respite. It would allow our budget makers to allocate greater resources to the social and development sectors and may even cover some of the ground lost because of the unprecedented floods in the country. That it would also meet the conditionalities of foreign aid-donors should, therefore, also pay attention to the conditions in the region as a whole.

Regardless of the availability of aid or not, however, there are some other aspects of our defence budget that need attention. One is that as far as possible, parliamentary scrutiny should not be automatically ousted in its approval. The nation has a right to know where the taxpayer's money is spent. In addition to that some sort of a civilian control or examination of proposals involving defence purchases is necessary. It would minimize the chances of losses or bad deals. Allegations of kickbacks, even when unformed, tarnish the image of our Armed Forces. Secondly, the programme of indigenisation of arms production has to be pursued much more vigorously, preferably with the help of the private sector. This would take a major cost-inflation factor out of the calculations and make budget freeze more meaningful.

Further on Foreign Ministry Spokesman on Defense Budget

*BK2012121992 Islamabad THE PAKISTAN TIMES
in English 20 Dec 92 p 12*

[Text] Islamabad, Dec, 19—At the weekly Press briefing on Dec, 17, the Foreign Office spokesman was asked

about the reported cabinet decision to freeze the defense budget. Since this issue does not relate to the Ministry of Foreign Affairs, there is no question of the Foreign Office spokesman having affirmed this report as implied in a section of the Press.

The spokesman had stated that it was Pakistan's consistent endeavour to exercise self-restraint in military spending in order to promote peace and security in the region, as well as to contribute to the priority goal of economic development. He stated that this self-restraint must be reciprocated by India.

Failure to Sway Japanese on Aid Viewed

93AS0369H Lahore *THE NATION* in English
23 Dec 92 p 8

[Editorial: "Aid and Nukes"]

[Text] The government obviously had high hopes of clinching the loan package of \$400 million during Prime Minister Nawaz Sharif's visit to Japan. In the event he has had to be content with heading off the threatened linkage of the package with the nuclear issue. Only \$100 million of flood related reconstruction aid will be immediately available. The larger sum, earmarked as project aid, would only be finalised after discussions with a Japanese team due in February. The Pakistan delegation has revealed the lengths to which it had to go to convince the Japanese that Pakistan's nuclear programme was peaceful and it was prepared to sign the NPT [Nonproliferation Treaty] if India did so. The discussions in February will follow the Japanese negotiators' visit to India to persuade it to sign the NPT. Lip-service to self-reliance aside, our economic structure cannot do without foreign aid and loans. In this respect, Japan, as our major trading partner and highest donor to the Aid-to-Pakistan-Consortium, occupies a crucial position. It was therefore imperative to allay Japanese suspicions and apprehensions about Pakistan's nuclear policy. How long this persuasion will suffice though, is a moot point. Our Japanese friends made it abundantly clear that after this particular loan package is out of the way, all future aid would be hedged by the conditionalities agreed by the G-7 countries. These conditionalities include the nuclear programme, democracy and human rights, liberal economy, and reduction in defence expenditure.

The government has squarely put the blame for the difficulties they encountered in Tokyo on the shoulders of Benazir Bhutto and her interview to NBC on Pakistan's nuclear programme. Although the interview in question could be criticised on the grounds that an ex-Prime Minister and Leader of the Opposition should have shown greater discretion on an issue of such sensitivity, on which a bipartisan consensus in Pakistan's national interests would be preferable, it is unrealistic of the government spokesmen to pin everything on Ms Bhutto. While this could prove one more convenient stick to beat the Opposition with, it would hardly make

the problem go away. The fact is that the West and Japan do not like our nuclear programme. The media and government focus in Japan on the nuclear issue as a spin-off of the NBC programme, therefore, is more symptom than the disease itself. We can expect continuing and greater difficulties in the years ahead for our aid flows on the basis of the G-7 conditionalities. That is a reality we will have to live with, NBC or no NBC.

Problems Wrecking Nation's Economy Analyzed

93AS0368H Karachi *DAWN* in English 12 Dec 92 p 13

[Article by Shahid Javed Burki: "What Ails Pakistan's Economy"]

[Text] What ails Pakistan's economy as it heads toward the year 2000? The answer to this question has been supplied dozens of times. Those who have responded to the question include local and foreign economists, government officials, journalists, politicians in power and those who are in oppositions.

A number of agencies providing assistance to Pakistan including the World Bank, the International Monetary Fund, the Asian Development Bank, the U.S. Agency for International Development, the U.K. Overseas Development Administration have also posed this question and often answered it in great detail. If the question has been asked so often, and by so many, why raise it once again?

The question is worth repeating since most of the well known answers deal with the symptoms of the problems Pakistan faces, not with their underlying causes. The real disease remains undiagnosed. Let me deal first with the symptoms and then identify the disease from which the country really suffers.

It is well known that Pakistan is not investing enough in its future—it is not improving the economy's physical infrastructure, it is not providing the economy with the quality of the work force it requires, it is not protecting its physical environment. The road and railway systems work with appalling inefficiency and are woefully inadequate for the needs of the economy of Pakistan's size; Karachi port is terribly clogged with long periods of waiting time for ships; the sector of education produces poor students; members of the large middle class and the poor have inadequate health facilities; women remain social outcasts, poorly educated, in poor health, and discriminated against in all manner of ways.

Pakistan is not investing in any of these things for two reasons: the people and the government save a very small part of their income and the government spends a vast portion of the revenue it collects on activities that will not contribute to the country's long-term development. Investment as a proportion of the gross domestic product is low but even this low level of investment cannot be financed entirely out of domestic savings. The gap between investment and savings Pakistan faces today is not of recent origin, however; it has been around for a long time and has been the subject of government

actions on numerous actions. But the gap has remained and, at times, widened to an extent that it could not be maintained without seriously hurting the economy.

In the past the resource gap was filled by a number of foreign friends who were prepared to reward Pakistan for its geo-political position or for the willingness of its leaders to do the bidding of those generous with their largesse. A significant proportion of this capital was provided on highly concessional terms which helped Pakistan not to run up a massive burden of foreign debt. In spite of the generosity of foreign friends, extensive external borrowing in the past have left the country with a fairly large debt overhang.

The above statement on the problems currently faced by Pakistan should seem familiar to all those who have had the occasion to reflect on the country's economic situation. However, the low propensity to save and invest and the fiscal and external imbalances it has generated have causes that run deep into the structure of the Pakistani society. Whenever I had the opportunity to discuss these issues with the senior leaders of Pakistan, their response was always the same, couched in the same sort of language. "Yes, we recognize what ails the Pakistani economy but we don't know how to deal with the disease" was their usual response.

There are politically strong lobbies that will not allow their members to be taxed; the government's tax collecting agencies are at best incompetent and at worst so corrupt that any effort to raise or broaden the tax base does not yield additional revenues for the state; a very large army has to be maintained which results in a very heavy defence burden which cannot be reduced unless there is a profound improvement in relations with India; over time, the politicians have tended to use the public sector for providing employment to their supporters, and it is difficult to quickly reverse these accepted practices. The leaders seem to recognise the problems very well but appear at a loss to deal with them.

It is quite clear that the solutions to the problems Pakistan faces today have to go beyond common exhortations. There is no doubt that Pakistan must save more, invest more in improving human and physical infrastructure, trade more and increase the proportion of exports in total international trade. To do all this implies a fundamental change in the character of the Pakistani society. This can only be achieved if the society's constituent parts look in a different way at themselves and their future generations. They must recognise that they must not sacrifice the future of their children in order to protect current consumption.

In this connection they must reflect on what they are prepared to do themselves, what they expect from their government, what they look to from the world outside. In this context let me ask and then answer three further questions. First, how would I define the social and economic outlook of the people of Pakistan? Second,

why do I think this outlook is not supportive of economic and social development? Third, is there something that could be done to change—in fact, to fundamentally alter—the thinking of the Pakistani people on economic and social issues?

A nation does not normally think as one: it is usually made up of disparate people who have different views and objectives. That notwithstanding, a nation's beliefs and actions can be affected by the views and behaviour of a small number of people—individuals operating on their own or as the members of powerful interest groups—who then determine the national ethos. Pakistan's current ethos has evolved over time and it has been influenced by groups and individuals who have commanded power in the seven quite distinct periods into which we can divide the country's political and economic history.

The seven periods are: 1940-1948, 1948-58, 1958-65, 1965-71, 1971-77, 1977-88, and 1988 to the present. Since these epochs are marked by political events and not by some extraordinary economic developments, it is useful for me to underscore my strong belief that economic—in particular economic history—cannot be understood without a full comprehension of political and social history. Economists have a tendency to separate their world from that of politics; politicians seldom understand the arcane world of economics. Both have paid a high price by allowing this gap to continue to exist: economists' advice becomes irrelevant if it seriously conflicts with social and political imperatives, politicians suffer greatly by not looking after the long-term economic interests of the constituencies they serve.

Let me now deal, albeit very briefly, with the seven periods identified above in order to come back to my original point which is that Pakistan's current ethos, having developed over a period of more than fifty years, is not particularly suitable for supporting sustainable long term development. The situation was much different when the idea of Pakistan, an independent homeland for the Muslims of British India was first mooted by the Muslim League in its historic meeting in Lahore.

The meeting held on March 23, 1940 launched the first of Pakistan's seven political periods. This period lasted for more than eight years during which the leadership of the Pakistan movement, under the charismatic leadership of Quaid-i-Azam Muhammad Ali Jinnah, was successful in persuading the majority of the Indian Muslim community that it could better its economic and social situation by opting out of the Indian union. The leadership's success in delivering this message was very impressive since it made no effort to articulate how the economy of Pakistan was to be managed once the country had achieved independence. There was considerable doubt expressed about the economic viability of an independent Pakistan on the part of those who were opposed to its creation. But the supporters of Pakistan were able to suspend all disbelief, giving the Quaid and

his associates the time to organise the new country. The Quaid's death on September 11, 1948 brought the period of hope to an abrupt end.

The following decade was spent in endless wrangling among the various groups that represented the people of the new state. Jinnah's successors failed in keeping alive the enthusiasm which had resulted in the establishment of Pakistan. With the Quaid gone there was nobody left in the country who had the charisma or the political foresight to define the economic meaning of the new country. For this to be done a number of political issues had to be resolved first: they included the role of religion in the conduct of the state, the status to be enjoyed by the sizeable non-Muslim minorities who were the citizens of a country created basically for the Muslims of British India; the relationship between the provinces on the one hand and the federal government on the other; the role of the civil and military bureaucracies in the affairs of the state. A consensus could not be achieved and its absence provided the military the first opportunity to intervene in politics.

While President Ayub Khan lacked the Quaid-i-Azam's charisma, he possessed an economic vision which he believed could substitute for the absence of consensus that had laid waste the second period in Pakistan's political history. Although most scholars would disagree with me, I would like to suggest that Ayub Khan possessed a mandate of sorts when he assumed office in October 1958. The Press was still free at that time and a reading of its editorial pages demonstrates a great amount of support for the move Ayub Khan made against the thoroughly discredited civilian leaders of the time.

Pakistan made rapid economic progress during the period when Ayub Khan so completely dominated the political scene. The approach he adopted had the simplicity typical of a military mind: the solution to the many basic social and political issues could be postponed to allow time for the economy to develop. Somehow, these issues could be addressed once the economy had reached a higher plane; there will be more to share once the economic pie was bigger in size. The economy grew and became bigger and by the middle of the 'sixties' Ayub Khan was prepared to handle the political and social-side of the equation. He did not succeed and in frustration he allowed himself to be pushed out by the military.

The second military intervention ushered in the fourth period in Pakistan's political history with the new leaders believing that they could turn the model of Ayub Khan on its head. They thought they could ignore the economy while using the government's visible hand to engineer political change. The result of this approach was a political as well as an economic disaster. The country was split into two parts while the economy lost the momentum it had gained during the period of Ayub Khan's stewardship. The army's rather inglorious performance in the civil war in Bengal lost it all prestige and

Pakistan in the winter of 1971-72 was prepared to accept a genuine civilian government once again.

This government arrived in the shape of the People's Party administration under the leadership of Zulfikar Ali Bhutto. This was the fifth period in the country's political history and it was distinguished in one important way from the time when a civilian administration was last in control. The half a dozen administrations that came and went quickly in 1948-54 did not have economic programmes of any kind. The government that took control of the affairs of the country in December 1971 not only possessed an economic plan it also had the political mandate for pursuing it. The plan was endorsed by the general elections of 1970 and called for putting the state on the commanding heights of the economy.

Within a few months of assuming power, Zulfikar Ali Bhutto had wrung through the economy some massive restructuring but it did not produce the economic results anticipated by him. This was for two reasons. One, as was to be demonstrated again and again in the economies all over the world, state ownership of productive assets never leads to economic efficiency. Two, the way Bhutto implemented his programme—whimsically and without careful evaluation of the economic and social costs of the actions taken by his government—he lost the mandate he had obtained from the people. The people's refusal to accept the results of the elections of February 1977 was one indication of the diminution in public support he had suffered over a short period of time.

The start of Pakistan's second long military regime in July 1977 when General Zia staged his coup d'état against the government of Zulfikar Ali Bhutto ushered in the sixth phase in Pakistan's political history. The popular agitation against Bhutto gave Zia a limited mandate: to restore the health of the economy and to regain the confidence of the people in those who governed them. Within a couple of years of having been in power his administration achieved the first but totally failed in the second. The implicit mandate of July 1977 began to be lost by the time of Bhutto's execution in the spring of 1979. It was definitely gone when, in 1983, the Movement for the Restoration of Democracy launched a campaign against the government.

The seventh political period began with the elections of November 1988 and the establishment of a multi-party democracy in the country. The events of the last four years have shown once again the inability on the part of the leaders to grasp the significance of the message the people were giving them. From the perspective of economics I would summarise the message in the following five ways:

First, the citizens wanted a government that was responsive to their economic and social needs; the people hoped that a system in which there was almost an even distribution of popular support between two political

forces—a liberal People's Party and a conservative alliance of the right wing groups—would provide an assurance against the arbitrariness that marked much of the economic decision-making under both Zulfikar Ali Bhutto and Zia-ul-Haq. Unfortunately, the politicians' conduct in office did not produce the checks and balances on economic decision-making that the people sought by using a multi-party legislative set-up.

Second, it was clear that the electorate wanted the government to recognise the differences among the provinces in devising the approaches to economic development. By voting for the People's Party in the rural areas of Sindh, the people wanted a comprehensive social and economic change in that province's countryside. The stronghold of the feudal elements on the rural economy of Sindh had not allowed that province to witness the profound change that had occurred in Punjab—and to some extent in the Northwest Frontier Province—largely as a result of the play of market forces.

By the middle of the 'eighties rapid commercialisation of agriculture had virtually freed these two provinces of the worst forms of feudalism. This transformation had not occurred in Sindh and Balochistan. At the same time, in the large cities of Punjab and Sindh, the voters favoured the politicians and political groups who had either demonstrated the ability to deliver urban services or at least held out the promise that such services would count high on their list of priorities if they had anything to do with economic policy-making.

Third, the enormous interest shown by the people in local elections was a reflection of the desire to bring state economic decision-making closer to the communities. People felt that Islamabad was too far from them to be able to respond satisfactorily to their more pressing concerns. The people wanted a more workable system of local government which was less prone to graft and was also free from the stifling hold of the local political bosses. The provincial capitals were also at an uncomfortable distance. The initiative taken by the Zia administration in the mid-eighties to place sizeable sums of money in the hands of the members of the national and provincial legislatures exacerbated political corruption rather than contribute to the fulfilment of the immediate needs of the people.

Fourth, the people seemed to be looking for a system of governance in which economic decisions were taken within the framework of economic laws and regulations. They did not wish to be subjected once again to bureaucratic and political arbitrariness.

Fifth, the people wanted the state to think strategically; to give people the confidence that it was capable of quickly factoring in the dizzying pace of change that was taking place all around them. Rapid change can be highly disorienting, a lesson that incumbent politicians learnt painfully in the fall of 1992 in North America and Europe. This is also true in developing countries such as Pakistan.

The voters spoke clearly in the elections of 1988 and 1990 but the administrations that took office following these two polls do not seem to have understood the economic message that was being passed to the leaders by the electorate. The result has been general political malaise which is at the bottom of what ails the Pakistani economy today.

What lessons do we learn from this quick overview of Pakistan's political history that are relevant for our understanding of the problems the economy faces today. There are at least four that deserve to be specially noted.

First, and by far the most important lesson history teaches in Pakistan is that despite a very underdeveloped political system the people have found a way of speaking, of giving voice to their wishes and aspirations. This happened in the period preceding the creation of Pakistan when a clear message was given by the majority of the Muslim community of British India that it saw a better opportunity for the realisation of its economic objectives if a separate homeland was created for them by the departing British.

The people also spoke in the late fifties when they welcomed General Ayub Khan's promise of a strong government in order to deliver a sound economy. The anti-Ayub Khan movement of 1968-69, the Pakistan National Alliance's agitation against Zulfikar Ali Bhutto in the spring of 1977, the campaign launched by the Movement for the Restoration of Democracy against the government of Zia-ul-Haq in 1983 are all good examples of the efforts by the people to make the leaders aware of their disappointment with the way they were being governed. The leaders' failure to hear always resulted in serious economic consequences.

Second, the people have also succeeded in providing fairly detailed mandate to the leadership groups either quite explicitly as in the elections of 1946, 1970, 1988 and 1990 or implicitly, when in 1958 and in 1977, they accepted military interventions in the country's political affairs. In 1946, they wanted the establishment of Pakistan; in 1970, they wished the leaders to address the perceived problems of growing inter-regional and inter-personal incomes; in 1988, they wanted checks and balances to work to limit the discretionary powers of the leaders in office; in 1990, they sought a government that would work cleanly and within the confines of laws and regulations.

Third, the economy has functioned well when the leaders and leadership groups have been responsive to the wishes and aspirations of the people; when governments have made a serious effort to understand the substance of the mandate that was being given to them by the people. It pays to analyse Pakistan's economic history from the perspective of politics.

Fourth, and finally, it is only with the close involvement of the people in the process of economic decision-making that economic problems have been successfully addressed and the country's economic potential realised.

Academia today calls this the imperative participation but this is a discovery that should not have taken so long to be made. The extraordinary success of the first green revolution in Pakistan in the late sixties was the direct product of the system of the much—and in my opinion wrongly—maligned system of “Basic Democracies” which bypassed the feudal structure and gave voice to the middle-sized land holders. Since the demise of the Ayub regime no government in Pakistan has made a serious effort to involve local communities in the designing and implementing plans and programmes for their own economic management.

What really ails Pakistan's economy today cannot be described in terms of economic fundamentals such as savings and investments rates, the proportion of the gross domestic product collected by the government as

tax and other revenues, budgetary deficit, external trade imbalance, and current account deficits. The real problem is the breakdown in the process of intermediation between the rulers and the ruled. Without the presence of institutions that can intermediate between the people and those who govern them it is not possible to address Pakistan's deep-seated economic problems.

I said above that in the numerous conversations I have had with the senior leaders of Pakistan in the last several years they have always shown good knowledge of what ails the Pakistani economy. They were not able to articulate the solutions to the problems they knew existed because they did not understand the simple fact that these problems could be solved only with the involvement of the people in the process of economic decision-making.

Purchase of T-72 Tanks from Czechoslovakia Reported*93AS0334A Karachi JANG in Urdu 27 Nov 92 p 18*

[News Report: "Pakistan Will Buy 300 T-72 Tanks from Czechoslovakia"]

[Text] Prague (Radio Report): Pakistan will purchase 300 T-72 tanks from Czechoslovakia. A spokesman for the Czechoslovakian foreign ministry said that his country is willing to sell 300 T-72 tanks to Pakistan. According to the French news agency, Czechoslovakia's minister of state for foreign affairs said that three weeks ago Pakistan's ministry of defense expressed Pakistan's intention of buying 300 T-72 tanks from Czechoslovakia.

Sharif States Nation Will Not Allow Nuclear Inspections*93AS0373B Karachi AMN in Urdu 17 Dec 92 p 16*

[News Report: "Pakistan Will Not Allow Inspection of Nuclear Plant—Sharif"]

[Text] Tokyo, 16 Dec (APP/PPA)—Prime Minister Nawaz Sharif said that Pakistan and Japan agree on many important international and regional issues. While addressing a reception at the Haneda airport on arriving from Islamabad in Japan for a four-day visit, the prime minister said that Pakistan considers its relations with Japan very important. He said that Japan is number one in import and export trade with Pakistan and is the country which provides the most aid to Pakistan. The prime minister clarified his stand on Pakistan's nuclear program once again and said that our program is one-hundred percent peaceful. The prime minister told the Japanese media that Pakistan will not allow inspection of Kahuta plant. The prime minister said that Pakistan has an enemy present right across its borders and this enemy already blasted a nuclear bomb in 1974 and has not listened to anyone about it. Prime Minister Nawaz Sharif said, "We are facing the danger of over 100 nuclear bombs that it has and it is endangering our security." The prime minister rejected U.S. reports alleging that Pakistan has nuclear weapons. He said that these reports are propaganda against Pakistan, and their purpose is to hurt the nation internationally and to make problems for it. In answer to a question, he said that Pakistan is willing to sign any agreement with India over the nuclear issues if the agreement is not unfair and promises that both countries will be equal.

Japan Said Unable to Accommodate South Asian Concerns*93AS0374D Lahore NAWA-I-WAQT in Urdu 18 Dec 92 p 5*

[Editorial: "Nuclear Problem and Regional Politics"]

[Text] Prime Minister Nawaz Sharif told a widely circulated Hong Kong newspaper in an interview that Pakistan's nuclear program is peaceful, and that it will continue this program. He said that Pakistan has neither nuclear weapons nor plans to make them. The prime minister told the newsmen in Tokyo that Pakistan cannot open the nuclear installation at the Kahuta plant for inspection. He said, "On the other side of our border is an enemy that blasted a bomb in 1974, and it has more than one kind of nuclear weapon, and we have to face those. These weapons are very dangerous for us."

The prime minister also rejected the recent reports issued by the U.S. media and said that these were aimed at giving Pakistan a bad name. The purpose of the debate that was started about Pakistan's nuclear program during Nawaz Sharif's visit to Pakistan is to make the Japanese skeptical of Pakistan and deprive Pakistan of Japanese aid and investments. Mr. Saddique Kanjoo, minister of state for foreign affairs, also told the newsmen in a briefing at the airport when he was leaving for Tokyo that the Pakistani nuclear program will be discussed during the negotiations with the Japanese prime minister, and questions about it will be asked of Prime Minister Nawaz Sharif. According to him, Pakistan is in a position to satisfy its hosts about it. Pakistan has always been opposed to the nuclear weapons race in the subcontinent. Pakistan has proposed at the United Nations making South Asia and the Indian Ocean a nuclear-free zone. Prime Minister Nawaz Sharif has recently proposed a five-nation conference to resolve the nuclear issue in the subcontinent. This would allow Pakistan, India, China, Russia, and the United States of America to discuss and find a way to resolve this issue. Pakistan is also willing to sign the NPT [Nonproliferation Treaty] if India also signs it. The truth is that the whole world is ignoring India's nuclear program, and the Hindu and Jewish lobbies have started this propaganda campaign against Pakistan's nuclear program. Some proofs have been revealed that indicate that India has a nuclear program.

Mr. Robert Gates, the CIA director, told a U.S. Congress committee that India has acquired the capability to make and use nuclear weapons. India also has fighter planes that can hurl these weapons at various targets. The Agni missile was also developed for this purpose. Indian amassed 200 kilograms of plutonium by 1991. According to a report published from Washington, India has more than 500 kilograms of plutonium, which is enough to make more than 165 nuclear bombs. India is also planning to make hydrogen bombs. We have mentioned India's military and nuclear preparations and its expansionist designs in these columns. Now the director of the U.S. CIA has admitted that India's nuclear program is busy making weapons. His statement has responded nicely to the lobbies that consider India a peaceful nation. These lobbyists never miss a chance to throw mud at Pakistan and to make its peaceful nuclear program suspect. The truth is that India blasted a nuclear bomb in 1974 at Pokhran, and it has had a nuclear

program since. In order to continue this program, it not only refuses to sign the NPT, but it is also increasing its number of nuclear reactors. It has not stopped smuggling heavy water, either. It has also rejected Pakistan's proposal to call a five-nation conference to discuss this issue. The fact is that it has never shown a willingness to resolve this issue and has never considered any of the Pakistani proposals worth consideration. We have always extended our hand of cooperation toward India, and Prime Minister Nawaz Sharif has repeated, during his visit to Japan, his proposal to declare South Asia a nuclear-free zone. He said, "We are ready to sign a nuclear pact with India if all our disagreements end." It is unfortunate that the West is aware of India's nuclear program and still pressures Pakistan to justify itself. This is discriminatory treatment. The Indian leadership is belligerent; Sharad Pawar, its defense minister, has threatened that, if Pakistan tries to target India with a nuclear bomb, then its future generations will have to pay the price. The strange thing is that India has the nuclear bomb, and it is accusing Pakistan of having it! It gets this courage from the West, which is discriminatory against Pakistan. It is expected that the United States, which is prejudiced at the government level, will pay attention to the report presented by its very important agency.

As for satisfying Japan about our nuclear program, the prime minister should not have any problem in the light of these facts. It is the duty of the Japanese government to recognize Pakistan's realistic approach to the nuclear issue and try to understand Pakistan's problems and obligations within the framework of regional politics. Pakistan understands Japan's feelings about nuclear weapons. After suffering nuclear destructions in Hiroshima and Nagasaki, Japan definitely does not even want to hear anything about nuclear bombs. However, it is the duty of the Japanese government and its people to understand the specific geographical demands imposed on Pakistan and India's expansionist designs that are putting it in serious danger.

Indigenous Aircraft Production Capabilities Viewed
93AS0325A Islamabad *THE MUSLIM in English*
19 Dec 92 p 1

[Quotation marks as published]

[Text] Sanjwal (Attock) Dec 18—Pakistan has successfully developed a jet aircraft, K-8 (karakorum-8), in collaboration with China, having a maximum speed of 800 m at Pakistan Aeronautical Complex (PAC) Kamra.

The plane besides fulfilling the indigenous needs, would be exported to earn foreign exchange, Minister for Defence Production Mir Hazar Khan Bijarani says.

The PAC Kamra has to its credit the confidence of its buyers in various countries due to its outstanding expertise, efficiency and capabilities in manufacturing and overhauling state-of-art fighter crafts. Growing confidence in Kamra is evident from the permission to overhaul the most sophisticated F-16 engine, known as F-100.

The Kamra Complex is also producing light aircraft 'Mushak', and providing maintenance support to some 500 such aircraft the world over. It also rebuilds a number of aircraft for Pakistan Airforce (PAF) and some other countries including F-16s, various versions of French Mirages, Chinese F 7P, FT 5, and AA5.

Prototypes of KK8, tested successfully during the last some weeks by the Pakistan Air Force and Chinese Air Force were shown to Mr Bijarani who was accompanied by Air Vice Marshal Muhammad Yousaf Khan Director General PAC, Kamra. Mohammad Yousaf Khan enlightened about the technical aspects of the fighter plane.

The Minister said that this aircraft had already attracted some potential buyers, like Burma, Bangladesh, Indonesia, Thailand and some middle eastern states, at Singapore air display.

These countries, he said, were in contact with the Government of Pakistan about the jet which was mainly for training purposes.

China Reportedly Helps Develop Fighter Jet

93AS0374C Lahore *NAWA-I-WAQT in Urdu* 19 Dec 92 p 1

[News Report: "Pakistan Succeeds in Developing Jet Fighter With Chinese Help"]

[Text] Attock (APP)—Pakistan has successfully experimented in developing a jet fighter with Chinese help. This aircraft was developed at Pakistan Aeronautical Complex, Kamra. This KK-8 type jet has a maximum speed of 800 kilometers per hour. Mir Hazar Khan Bajarani, federal minister of defense production, has expressed the hope that this jet fighter will be a source of foreign exchange for Pakistan. The Kamra Complex is highly respected because of its achievements, and this has impressed us more than ever. Kamra Complex also has the facilities to overhaul F-16 fighter engines. In addition, light airplanes—Mashaq—are also built in Kamra. Kamra Complex also provides spare parts and repairs 500 Mashaq aircrafts in operation around the world.

Unemployment Among Educated Said Increasing

93AS0368E Karachi DAWN in English 13 Dec 92 p 13

[Article by Shahid Kardar: "The Educated Unemployed"]

[Text] Because of its political implications, the high and growing level of unemployment is perhaps the most serious social and economic issue facing the country. The magnitude of the problem should be evident from the fact that the economy will need to create 2.3 jobs per minute during the rest of the 1990s to ensure that the employment situation does not deteriorate.

Even anecdotal evidence and casual observation suggest that the unemployment level of around three percent indicated by official statistics is incorrect and that because of definitional problems it covers only a small proportion of the economically active population. However, whatever the actual level of unemployment, the educated unemployed present the most acute problem for the government. This is because, on the one hand, they are more vocal and, on the other hand, a large investment has already been made in them in terms of subsidised education and training of skills. That is why they are viewed to be more productive members of society than the illiterate.

Before we look at the possible policy decisions in respect of the educated unemployed, let us briefly identify the factors underlying the growth of this category of unemployed youth.

a. It is evidently clear that the dilemma with which we are confronted is primarily on account of the high growth rate of population. Moreover, the rapid increase in labour supply will continue for the next two decades even if fertility rates decline because the potential labour force is already born.

b. There has been an expansion in education at all levels. In particular, the supply of graduates has been increasing rapidly without a concomitant increase in the demand for graduate level jobs.

c. There is a structural imbalance between qualifications or occupations in which they have been trained and the qualifications and the expertise required by the market. Professional colleges and universities are not producing properly trained and qualified persons, i.e., those with the requisite skills demanded by the market. In particular, the universities are churning out graduates trained in humanities whereas the market is looking for skills in other disciplines.

d. There is a mismatch between employment opportunities and job expectations. As the system provides jobs through personal contacts, the joint family system reduces the incentive to cut down the period spent in search of a job.

e. Modern technology is more automated in nature. It is, therefore, capital intensive and the capital labour ratio is

far too high for achieving full employment. The cost per job in the large-scale manufacturing sector which provides 70 percent of industrial output is now over Rs [Rupees] 1 million.

f. For the educated sections of society the labour market situation is linked with the overall problem of mass unemployment or under-employment.

Labour-intensive production processes cannot be enforced if such a technology is not available and if private returns are high from more automated processes. Nor will extending greater protection to domestic industry provide the answer. Not only will such a move be resisted by international lending agencies; protection of industry from external competition also protects inefficiency and low productivity, little faith can be placed in the role that public sector vocational training institutes can play in developing skills that the market desires. Nor, on past evidence, can we expect the private sector to step in to play this role they are too short-sighted to invest in such activities of organising and managing vocational training institutes that addresses the skill needs/demands of the market, even if suitably assisted in financial terms (say through matching grants) by the government [sentence as published]. Therefore, other longer-term measures will have to be devised. In this regard some proposals are being discussed below.

In Pakistan, university education is being provided at throw-away prices and scarce funds have been diverted to higher education. Public money raised from all people has come to be allocated for the benefit of even those who can afford higher education in terms of their ability to pay for it. A large number of students who come from well-to-do families have been enjoying higher education at subsidised prices. This implicit subsidy has benefited the rich much more than the poor. The poor have been left to fend for themselves with poor quality primary education in government-run schools.

We, therefore, have to make higher education less attractive by reducing subsidies, i.e., by increasing fees of those attending professional colleges or universities. The money saved should be spent on improving the quality of primary education. The highest returns on investment in education come from the one made in primary education. Another way of reducing attraction is by lowering earning differentials between different groups of qualifications in the labour market. Higher education is attractive because of excessive income differentials compared with international standards.

According to one study, in the United States, a doctor earns 3 times the average income, in Germany, 2 times and in India 20. These differentials have created an insatiable demand for higher education. As long as pay differentials are not narrowed the problem of the educated unemployed cannot be minimised. We, therefore, need to reduce these differentials, at least for new entrants into the civil service; the majority of graduates

prefer public sector employment because of superior fringe benefits, social prestige and more job security.

Admittedly, earnings of the higher qualified are coming down through a debasing of academic qualifications and an upgrading of hiring standards in the labour market. Positions formerly filled by matriculates (clerks, typists, etc.) now require graduate qualifications. However, the incentive to acquire higher education has not declined because of the continuing high levels of subsidy and the pay differentials.

Another potential proposal is being mooted in Kenya, where it is being suggested that entry into university should be postponed by 2 to 3 years. The eventual admission would then be conditional upon work experience and community services provided during this period.

Finally, working lives need to be reduced through early retirement schemes.

Drug Gangs Said Exploiting, Torturing Young Women

93AS0314G Lahore *THE NATION* in English
15 Dec 92 p 2

[Article: "Innocent Girls at the Mercy of Drug Gangs"; quotation marks as published]

[Text] Lahore—When they boozed and made love with young call girls of Lahore in the comfort of Karachi's luxurious hotels, the scores of police officials, public representatives and businessmen were not aware of the conditions that turned those innocent girls into prostitutes.

A teenaged girl Saima, who managed to return home, only to hear the death of her 4-month-old baby, after being forced to offer herself to hundreds of persons during the last six months, has revealed that young girls were intoxicated, raped, filmed nude and later offered to the customers. She disclosed the mafia is being headed by a married woman Baidi of Saidpur Lahore. Popularly known as 'Queen or Heroin,' Baidi, is regarded as one of the greatest inter-provincial heroin smugglers. A number of FIRs [First Information Report] have been registered against her at different police stations.

Addressing a Press conference at Lahore Press Club on Monday, her mother said Baidi's daughter-in-law Munawar Bibi alias Gudo came to her house at Sitara Colony, Factory Area along with a local woman Zarina and took her daughter away, saying they would be back after shopping.

They took her to Gudo's residence where they, after intoxicating her, got her raped. She was also filmed nude. She was later sent to Karachi where she was forced to

offer herself to a number of policemen, public representatives and businessmen in the comfort of luxurious hotels, she added.

Whenever she put up resistance, she was severely tortured and red hot iron rods were rolled over her body, her mother said.

She said Saima was offered to several police officers, businessmen and public representatives. She said Gudo took two persons to Saima's room, identified them as SI Sajjad Mehdi and SI Malik Inayat and asked her to oblige them.

Saima's mother further said she contacted the area police but they refused to register any case or recover her daughter. She said she later shifted her family members to Bostaan Colony, Kot Lakhpat where Zarina contacted her and told her that her daughter had been addicted to heroin and forced to serve at brothels. She said Zarina further told her that Gudo runs an inter-provincial gang of heroin smugglers and after making obscene movies of young girls, blackmails them and uses them as heroin-carriers.

She said she contacted Kot Lakhpat police, upon which, the police called Gudo to the police station. However, she was given a VIP treatment and allowed to go back. Later, Gudo along with her daughter Janu and three others Saif Ullah, Chandi and Ashraf subjected her to severe torture and fractured her left arm.

This time the police did register the case and arrested one of the accused Saif Ullah but refused to arrest the others.

She said she then contacted a number of high police officials who ordered the Kot Lakhpat police to recover Saima. Saima was presented before the Kot Lakhpat police by an arms dealer Waheed Butt, a relative of SHO [Station House Officer] Inspector Zahid. Waheed Butt reportedly asked her to favour Gudo in her statement to the police, pressuring her to ask the police officers to send her to Darul Aman. However, she was later handed over to her mother.

When asked, the victim said Waheed Butt who had illicit relations with a film artist, Sheela, was an active partner of Gudo and enjoyed friendship with high police officials of the Lahore police.

Though Saima has been recovered, one can't even imagine the shrieks and cries of dozens of other girls who have been addicted to heroin and are forced to act as prostitutes. Meanwhile, the victim's mother has appealed to the Lahore police officials to intervene and ensure arrest of the accused.

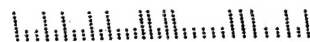
"We may get the accused arrested but the trauma of it shall all remain with us for the rest of our lives" the victim said.

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